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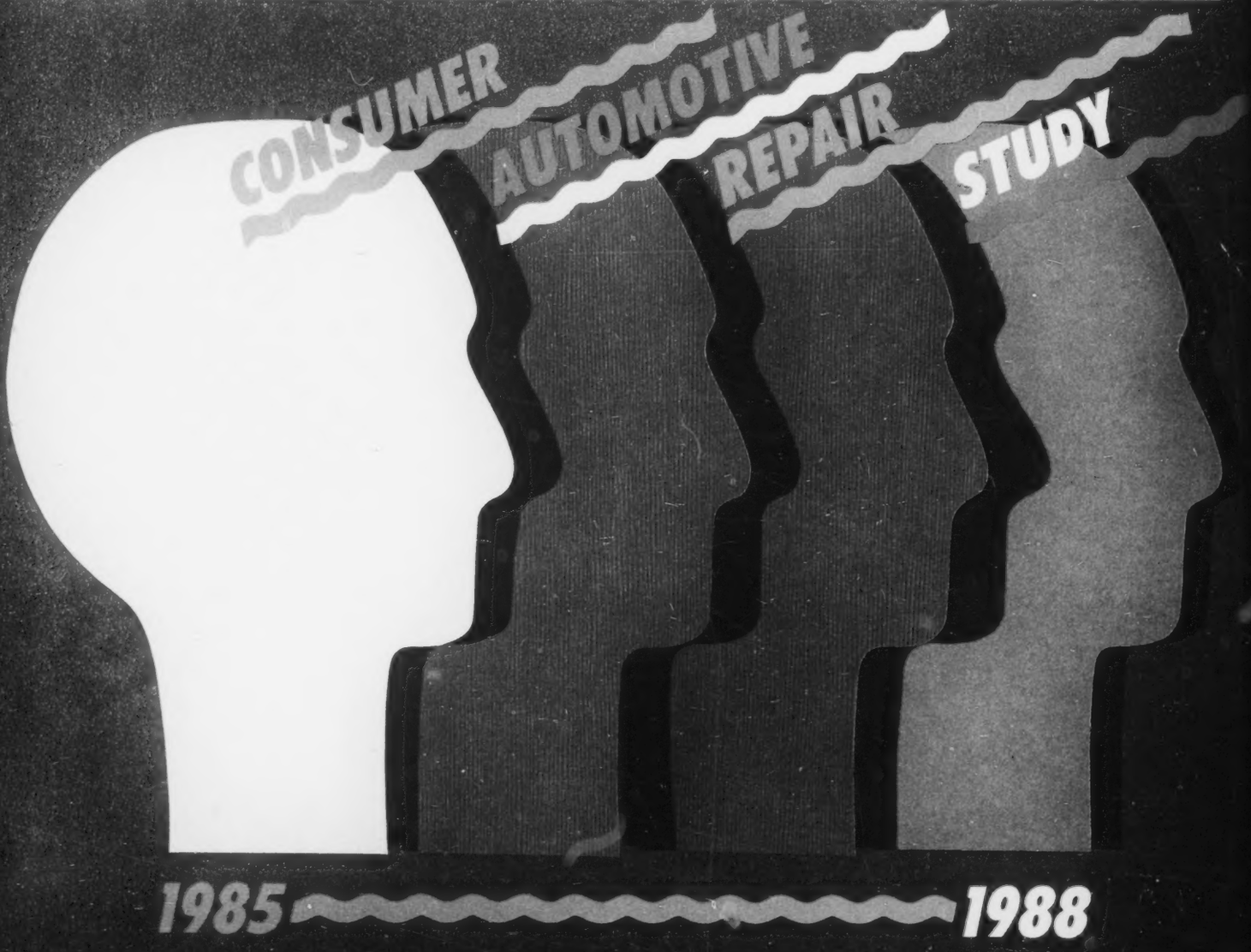
Chilton's

AUTOMOTIVE MARKETING

The Marketing/Business Magazine For The Retail Aftermarket

MARCH 1988



What automotive parts, chemicals, and accessories do consumers purchase and install? With few exceptions, the market seems steady.

Chilton's
AUTOMOTIVE MARKETING

abc

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March Issue/Volume 17, Number 3

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PUBLISHER'S NOTES

WHO ARE THEY, ANYWAY?

Who are these do-it-yourselfers anyway?

What are their vital statistics? What do they buy, where do they buy it, and why do they buy it there?

You, as eager, sometimes anxious, participants in the retail aftermarket, have an intense need to know the answers to these questions, and others like them. At *Automotive Marketing*, we hired some of the nation's finest professional researchers—Chilton Research Services (CRS)—to find the answers. CRS constructed a sample base which is *nationally* projectable and *accurately* reflects the adult U.S. population.

This year, the researchers talked with 700 people who had bought, and had installed, the specific aftermarket products we queried about. The result is our fifth annual *Automotive Marketing Consumer Automotive Repair Study (CARS)*.

We take a look at the DIY population and its habits, trends, and specific product data in this issue, and compare it with data from the 1985 study.

AM has a PC data bank of past *CARS* studies, including all consumer demographic data and product category purchases. Please see page 84 for details about its purchase. It's another innovative concept from *AM*.

Let us hear from you.

DETAILING THE MARKET

IN-STORE FOCUS

Western Auto, an 80-year-old auto parts and services business, is expanding its horizons with an ambitious new franchise program.

To the casual observer, a Western Auto franchise program might seem like nothing new. The firm already has 285 company owned stores, mainly in large metropolitan markets. In addition, there are 1,546 associate stores, located in small markets of less than 15,000 vehicles. Now the company is engaged in an ad and sales promotion blitz, designed to attract franchisees to its new turnkey program.

The goal, wholesale division president/CEO John Leach said, is to gain total market dominance. "We think there's a tremendous opportunity in medium-sized rural communities," he said. "There are 450 medium-sized markets east of the Rocky Mountains that we feel would be excellent areas for a Western Auto franchise. In fact, we've already tested a few stores ourselves in Sedalia, MO, Leavenworth, KS, and similar areas." The results are promising.

Outwardly, Leach said, there is little difference between a company store and the new franchises. "There's very little in terms of what the customer sees," he said. "But the real point of differentiation is that company stores are in areas larger than 50,000 vehicles. The stores are large as well; they range from 7,000-25,000 sq. ft."

The new stores will have three different designs, based on trade area vehicle population (Western Auto uses one of the national demographics services to determine vehicle population in various areas).

The largest stores will have 8,800 sq. ft. and four service bays. They're targeted at the largest market (vehicle population 40-50,000). The medium franchises will have 7,700 sq. ft. and three service bays (vehicle population 30-40,000). The smallest will have 6,200 sq. ft., and two service bays (25-30,000 vehicle population).

"We determine the size of the store based on market potential as determined by the number of vehicles," Leach said. The stores will be completely devoted to auto aftermarket sales and service. There was a time in the company's history when other SKUs were part of the product line, but that's been largely eliminated except for the associate stores.

"Our associate stores are located in small markets of less than 15,000 vehicles," Leach explained. "They do not have a large enough potential to emphasize solely auto. They continue to sell lawn and garden power equipment, bicycles and accessories, and in some cases major appliances and electronics."

The new franchises, will be promoted to potential owners with the theme, "America's No. 1 Auto Supply Franchise."

"This is a total turnkey operation," Leach said. "We want to make the stores easy to operate. It's not easy to manage service, auto parts, tires, some 8,000 or so sq. ft. of inventory with 10-12,000 SKUs, and a staff of maybe 15 people. You can get so consumed in day-to-day operations that you can lose control of the situation. We concentrate on *systems*."

These include a "very sophisticated inventory management system" which provides state-of-the-art inventory information via POS cash registers. These communicate profit, sales, and SKU information back to the home office on a daily basis. Through this information, the home office relays unit sales, profit margin and sales information back to the store. The system also tells the distribution center what to ship, and automatically adjusts SKU stocking levels to match individual SKU sales history. A retail management training program, a modelstock plan, and automated bookkeeping are included. All of this is designed, Leach said, "to allow the manager more time to sell, and to manage his people."

At press time, Western Auto had just unveiled its new franchise program and was pushing hard to attract interested businesspeople. It's too soon to issue a verdict on the program, but as the promotional material asserts, "Nobody does more to assure your success."

DETAIL

18%

of total sales of the average tire dealer is in service sales, according to the National Tire Dealers and Retreaders Association.

PROFILE: DIYers WHO OWN VANS

Drawing from the 1988 *Automotive Marketing Consumer Automotive Repair Study*, we look at DIYers who say they are more apprehensive about repairing a foreign car than a domestic one.

			Age					Income				Hours Per Month Spent On DIY			
Total	Male	Female	-25	25-34	35-44	45-54	55 +	-$20K	$20-30K	$30-40K	+ 40K	-1 Hrs	1-5 Hrs	6-10 Hrs	11 + Hrs
100.0%	72.5%	27.5%	19.2%	29.5%	17.7%	12.0%	21.0%	32.5%	26.3%	15.7%	17.8%	14.7%	55.0%	19.5%	9.2%

THE AUTOMOTIVE MARKETING INDEX

THE 1987/88 *AUTOMOTIVE MARKETING* MARKETBASKET

To determine the price movement, *Automotive Marketing* created a "marketbasket" of the best prices available for nine popular aftermarket products. We determine the best available price of each item in each marketing area each month to come up with an average marketbasket index.The products include a non-resistor spark plug; an oil filter; a can of 10W30 motor oil; a can of paste wax; an AM/FM/Cassette radio; a gas-charged shock absorber; a gallon of antifreeze/coolant; a pair of windshield wiper refills; and a 40-month-warranty battery. These products are usually on sale somewhere within each marketing area, which we define by their unique geographic, meteorological, and consumer characteristics.

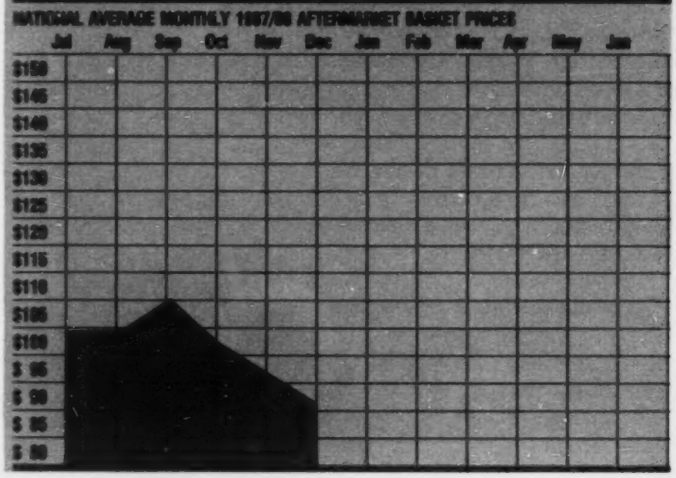
DECEMBER 1987 NATIONAL AVERAGE MARKETBASKET PRICES

A non-resistor spark plug:	$ .78	A gas-charged shock:	$ 11.99
An oil filter:	2.03	One gallon of antifreeze:	3.17
A can of 10W30 oil:	.70	One pair of wiper refills:	2.76
A can of paste wax:	3.99	A 40-month battery:	28.01
An AM/FM/Cassette:	37.18	Total:	$ 91.53

DECEMBER AM MARKETBASKET PRICES BY MARKETING AREA

1. Greenbelt East:	$ 94.32	6. Desert West:	90.66
2. Megapolis East:	87.73	10. Greenbelt West:	94.49
3. Smokestack East:	$ 92.56		
4. Old South:	94.74		
5. Caribbean South:	91.53		
6. Smokestack Central:	93.11		
7. Grainbelt Central:	86.07		
8. Spanish West:	109.23		

NATIONAL AVERAGE MONTHLY 1987/88 AFTERMARKET BASKET PRICES



1988 AFTERMARKET STOCK PRICES

The figures below are the high and low prices offered and paid for various aftermarket-related common stocks in various exchanges for the 52 week period prior to February 11.

	Exchange	52-week High	52-week Low	2/11 Quote	P-E Ratio
Armor All	OTC	27 1/4	10 3/4	15 3/4	18
AutoSpa	OTC	6 1/2	1/8	1 1/2	—
Champ Parts	OTC	12 3/8	4	9 1/4	31
Champ Spk Plg	NYSE	16 3/8	7 1/8	11 1/2	23
Chevron	NYSE	64 5/8	32	45	15
Dana Corp.	NYSE	54 1/4	27 1/2	35 3/8	11
Danaher	OTC	14	7 1/2	10	11
Echlin	NYSE	25 3/8	10 3/4	15 1/2	17
Facet	NYSE	23 1/8	10 1/2	18 1/8	17
Genuine Parts	NYSE	44 3/8	27 1/4	37 3/8	21
Grand Auto	AMEX	25 1/4	7 3/8	14 1/4	—
Modine	OTC	22 3/4	11 3/4	15	10
Mr. Gasket	OTC	7 3/4	5	6 7/16	322
PACCAR	OTC	78 1/4	42 1/2	65 1/4	10
Pitt Hamblin	NYSE	49	24 1/2	34 3/4	17
Pennzoil	NYSE	95	38 1/2	66 3/8	96
Pep Boys	NYSE	18 1/8	9 1/2	12 5/8	20
Quaker State	NYSE	31 3/4	12 1/8	19 1/2	17
Rite Aid	NYSE	46 1/4	28 1/2	36 5/8	17
Sealed Power	NYSE	39 5/8	21 3/4	34 1/2	12
Stant Mfr Prod	NYSE	25 3/8	11 1/8	14 1/4	10
Superior Ind	AMEX	19 3/8	9	13 3/8	9
TBC Corp.	OTC	13 3/4	3 3/4	11 1/2	10
TRW	NYSE	70	37	47	12
Tenneco	NYSE	62 1/2	36 1/8	40 1/8	—
Trst. Auto	OTC	19	7	9	15
Triad Systems	OTC	15 1/8	7 1/2	9 1/8	12
Western Auto	OTC	17	5 3/4	8 1/2	21
Wilco	NYSE	47 3/8	26 5/8	33 1/2	12
Wynns	NYSE	30 3/8	14 1/2	18 7/8	40

DOW JONES 65 COMPOSITE STOCKS

Dow Jones 65 composite stock and *AM*'s 17 aftermarket stock price as of February 11.

AM 17 COMPOSITE AFTERMARKET STOCKS

AFTERMARKET BUSINESS INDICATORS

	Unit/Base	Mo/Yr	Current Period	Prior Period	Year Ago, Same Period	Low (84-88)	High (84-88)
Consumer Price Index	(67 = 100)	Oct	345.3	344.4	330.5	May 61 80.3	Sept 87 344.4
Prime Rate	%	Jan 19	8.75	8.75	7.50	—	—
Personal Income	Billion $	Nov	3,653.7	3,650.8	3,577.5	Jan 61 403.8	Oct 87 3,650.8

PRODUCT OF THE MONTH: FILTERS

Drawing from the 1988 *Automotive Marketing Consumer Automotive Repair Study*, we look at the individuals who purchased and installed spray paint during a 12-month period.

			Age					Income				Hours Per Month Spent On DIY			Number Of Cars Responsible For		
Total	Male	Female	-25	25-34	35-44	45-54	55+	-$20K	$20-30K	$30-40K	40K+	-1 Hr	1-5 Hrs	6-10 Hrs	11+ Hrs	1	2	3 or More
100.0%	84.2%	15.8%	24.1%	27.3%	17.1%	14.7%	16.2%	23.9%	26.0%	16.8%	27.1%	12.4%	55.3%	18.1%	12.5%	32.0%	44.5%	22.9%

MARKET LINE

THE HARD PARTS MARKET

Exhaust Parts: Stainless Steel, Specialists, And Still Strong DIY

If you want to make exhaust people nervous," Jim Gerber, product manager at AP Parts, Toledo, OH, said, "talk about stainless steel. Guys are scared to death that it means lifetime mufflers."

With some allowance for hype, Gerber was right on target: The growing use of stainless steel in exhaust systems by OE car makers is the hot topic among exhaust manufacturers.

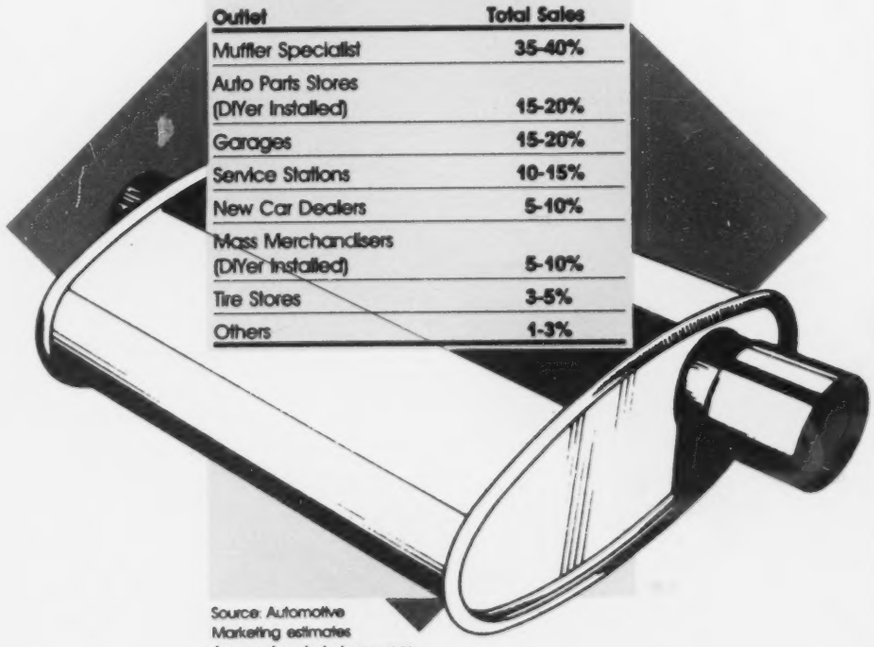
Stainless steel pipes came into use for manifold pipes when catalytic converters were added in the mid-1970s. The higher temperatures required the use of stainless for pipes between the engine and converter. And, since the OE manufacturers were responsible for the converter and pipes, they wanted parts that would last for 50,000 miles.

"Pipes in front of the catalytic converter have been made of stainless steel since 1975 and that market has slowed up somewhat," Harry Manning, manager of market analysis and planning at Walker Manufacturing, Racine, WI, said. "We're stocking about 140-150 SKUs in front pipe and there is a replacement market for manifold pipes. But the market is also less lucrative than when it was low carbon steel."

WHERE ARE MUFFLERS SOLD?

The muffler specialist dominates muffler sales with about 35-40% of total sales. That percentage has grown from about 30-35% in 1980. The DIY rate has remained at about 20-25%.

Outlet	% Of Total Sales
Muffler Specialist	35-40%
Auto Parts Stores (DIYer Installed)	15-20%
Garages	15-20%
Service Stations	10-15%
New Car Dealers	5-10%
Mass Merchandisers (DIYer Installed)	5-10%
Tire Stores	3-5%
Others	1-3%



Source: Automotive Marketing estimates from various industry sources.

Because they made the system run hotter (which means less condensation), catalytic converters extend the life of the entire exhaust system somewhat. Although the number of cars on the road has increased, the five major domestic exhaust parts manufacturers are selling about a million fewer units annually than they did five years ago. Ten years ago, muffler replacement was on about a four year cycle; today, it's closer to a five year cycle.

Let's look at some numbers. A Walker total market estimate for exhaust parts puts the 1988 market at some 30 million mufflers and 40 million pipes of all kinds.

It's not a high growth market, but it's awful big. Dollar sales, according to Walker estimates, for all sorts of exhaust products such as mufflers, pipes, clamps, hangers—everything but catalytic converters—come to about $2.2 *billion*.

The catalytic converter market is still an unknown. There is growth in catalytic converter sales, but no one is sure how much. On the plus side, there are some 51 million vehicles on the road with catalytic converters that are no longer covered by a manufacturer's warranty. There are also more state and local governments requiring emissions inspections. However, according to Environmental Protection Agency surveys, roughly 18% of drivers are still removing converters or not replacing old catalytic converters if the part goes bad. A 1985 survey of muffler shops projected a replacement rate of 1.4 million converters per year. But several exhaust manufacturers thought this was optimistic. So, no one is sure of the catalytic converter market, but the best estimates we heard put it in the $200 million range with about a million units sold.

The Impact Of Specialists

The key fact in marketing mufflers and pipes is the ongoing growth of the roughly 12,000 exhaust specialist repair shops. A consensus of major exhaust manufacturers has the market share of the specialists growing from about a third of the market at the beginning of the decade to at least 40%, and more like 45%, of the market

in 1987. Exhaust specialists offer the consumer convenience, lifetime warranties, and a reasonable price. The 40-45% market share will probably grow even higher in the next few years.

But even with this growth, the DIY rate (for mufflers and pipes) has stayed relatively constant at 20-25%. And so, the retail aftermarket (auto chains, jobber/retailers, mass merchandisers) has a realistic shot at about $600 million worth of this business. Exhaust replacement is still a reasonably simple DIY task and the DIYer faces no huge technological changes.

"Depending on the region, the DIY market is not going to shrink," Norm Dobrowski, director of product planning for Maremont, said. "In fact, you may see a reverse in the trend. Because of downsizing, there're fewer components. And most mufflers have been moved to the rear of the system so they're actually easier to take off. From that standpoint, the job is a lot easier for the DIYer. The DIY rate is certainly not going to go down significantly."

Again, no one knows what the DIYer will do with catalytic converters. Manning said, "There probably won't be as much DIY as with exhaust parts. It seems a little less likely the DIYer will do the job. There's no more difficulty in doing the job, but the converter has the image of being more complicated." The DIY rate on converters remains to be determined.

The Impact Of Stainless Steel

The one unknown factor that may make all these numbers obsolete, however, is the growing use of stainless steel for the entire exhaust system on such popular cars as the Pontiac Fiero and the Ford Taurus. Although no one has any solid figures on the subject, best estimates say an exhaust system made entirely of stainless steel may last twice as long as present aluminized steel systems. And that could be a killer for the replacement market.

However, Dobrowski noted that only about 15% of new cars used stainless for the exhaust system. "Out of 160 million vehicles on the road, there's maybe only one million cars with stainless. But if usage increases at the OE level, if it gets into the 30-35% range of new cars, it can have an impact."

Stainless is used by OEMs not so much for long life, but primarily to cut weight. An aluminized steel system, including converter, weighs about 50 pounds; a stainless system weighs a little more than half that. "Domestic manufacturers are required by law to get better fuel economy," Gerber said. "The only way to get better gas mileage is to cut weight. So now you have plastic dashboards, rubber bumpers, magnesium wheels, and stainless steel exhaust systems."

None of the manufacturers is planning to market stainless steel replacement systems. The cost to the consumer is prohibitive. A stainless system would sell for almost double the price of an aluminized steel system. "It's substantially more expensive, so you'll never see stainless in the replacement market," Dobrowski said.

"At the OE level, they can absorb the cost and pass it on. I think you'll see the OE manufacturers using stainless systems as a marketing tool for cars they sell and emphasize as quality cars: sports and luxury models."

However, there is another development. While stainless systems on cars can be replaced with aluminized systems with no problem, one Chevrolet truck series C/K (used for delivery vans, bread trucks, wreckers) requires an GM muffler re-

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placement. "It's the first one we've seen that actually says that," Gerber noted. "It runs at about 2,000°. It's not only the fit, but the material must be stainless."

That's why exhaust manufacturers are nervous. They see a potential of more one-to-one required replacements (meaning you have to put on exactly what you take off) which will completely eliminate, or at least substantially decrease, short-line consolidations. "You only sell about ten million new cars a year," Gerber said. "At that rate it will take 13 years just to replace the cars on the road. So it's not going to happen overnight. But it's time for the aftermarket to think about how to manage the exhaust business in terms of one-to-one replacements."

Clean Lines And More Parts

Manning added that aerodynamics will also play a role in forcing one-to-one replacements. "The undercar is getting increasing attention. There's only so far you can go outside without cleaning up the undercar. I've seen prototypes that are real clean with the entire exhaust system tucked up into an exhaust channel. That says a lot about universal replacements. You'll have a very small envelope to fit. Because of the attention to keeping it tucked up, you'll have more hangers welded to the pipes. So it will be harder to bend the pipe, the pipe will have to be sold pre-bent. Making universal exhausts is going to get harder. It's going to take more and more SKUs for coverage."

Even without aerodynamic and stainless steel systems, retailers will probably have to stock more and more SKUs each year. Suppliers provide about 3-4,000 SKUs for complete coverage and are adding about 3-400 SKUs a year.

"There's just no let up," Manning said. "We're adding about 350 numbers this year. There're a few companies that aren't adding as many numbers. But if you don't, you don't keep up. We're finding that consolidations and removal of some numbers doesn't offset the growth. Over half the numbers are for imports. That's where the proliferation is. The major Japanese car makers are increasing the variety of cars and models."

"I don't expect any drastic proliferation in SKUs," Drobowski said. "A lot has already occurred. But if people keep cars longer and the car makers continue to introduce new models, there will be some proliferation. Retailers are going to have to keep a closer watch on their inventories."

Basically, in the short term, exhaust manufacturers say retailers should watch the import market carefully, for this is where the most growth should occur as more older imports stay on the road.

However, the long-term trend is for exhaust to become an even more integral part of the engine. "You already see oxygen sensors in the exhaust," Gerber said. "This sensor is hooked into the engine's computer and changes the spark temperature and frequency, and the fuel-air mixture. So if you alter the exhaust system, you can change the way your engine operates. If you put on the wrong muffler, you can alter the chemistry. So putting on the right part may become crucial. The retailer is going to have to have confidence in a supplier's catalog."

If one-to-one replacements become a major factor in the market, exhaust suppliers see the need for a closer tie between supplier and retailer. "You may see the kind of distribution where weekly shipments are just not adequate," Manning said. "And, the economics will not be good for providing 80% coverage. Retailers may have to rely on someone else to stock inventory. And service will be more important than price."

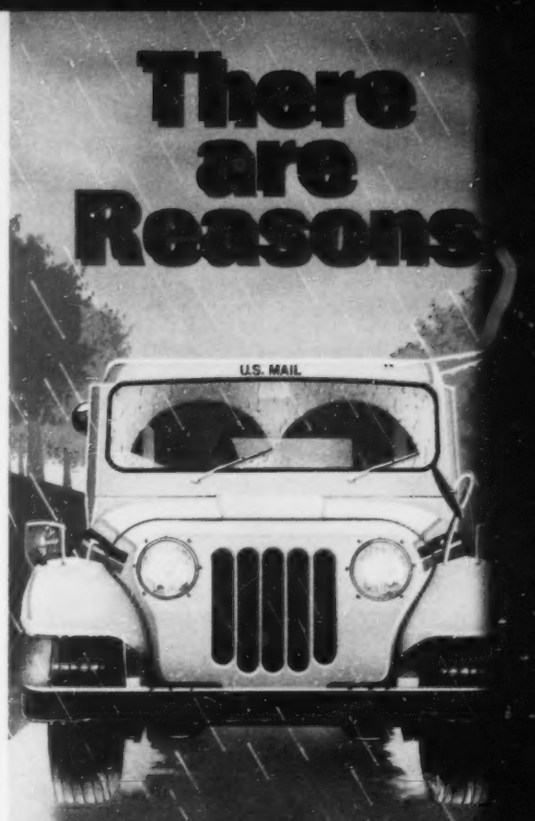
In The Future

Finally, we asked about long term technologies. While today's exhaust designs work effectively, are well established, proven, and comparatively inexpensive, work proceeds on some exotic projects in exhaust technology.

For example, Japanese manufacturers are working on a computerized muffler that alters back pressure for engine RPMs. "In the old days, trucks used cut-outs at high speed," Gerber said. "It's the same idea. Except this cut-out is hooked into a computer."

Gerber also said work is proceeding on a electronically tuned muffler. "Say you have a horrible singing voice. You put a choir around you and all the voices generate a harmony to drown you out. The same way, electronics can create a noise canceling device to wipe out the exhaust noise. That can open a lot of things up. All you need is a conduit for hot gases to put them where you want them. There's no back pressure at all."

Although these are "blue-sky things, many years out," the retailer who wants to remain a viable supplier of exhaust parts to the DIYer is going to have to deal with some changes in the way he sells exhaust. First, coverage of more vehicles, mainly imports, and second, making sure the DIYer has the right muffler and pipe. ■



Reason #3

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Quick Lubes At 3,000 And Still Counting

If you like to keep track of "Oh wow!" type growth, the quick lube market is the place to watch. Keeping count of the number of quick lube centers open is about as easy as keeping count of points scored at the NBA All-Star game. You have to stop the clock occasionally and give the score at that time. So we asked the five largest quick lubes to give the number of centers they were operating as of December 31, 1987. This is the way it stood:

QUICK LUBE COUNTS

Jiffy Lube	778
Minit Lube	261
Rapid Oil Change	118
Grease Monkey	101
McQuick Oil Lube	63

This, we remind you, is already way out of date. Jiffy Lube, Baltimore, for example, has been adding about 150 stores a year for the last five years. Chairman and CEO Jim Hindman thinks they'll be at 850 when Jiffy's fiscal year ends on March 31. Sales are projected at about $267 million. Jiffy Lube is also acquiring smaller chains as fast as it can find them. In fact, the chain made an offer to buy Grease Monkey in 1987, but the offer was turned down. In addition to the United States, Jiffy Lube operates stores in Canada, France, Holland, and Australia. Hindman likes to say, "The sun never sets on the Jiffy Lube empire."

The other quick lube chains are also growing, too. For example, Rapid Oil Change, Minneapolis, owned by Valvoline, plans 250 by the end of 1988, and president Steve Kirshner said, "We're right on target.' Although Quaker State's Minit Lube, Salt Lake City, UT, was not making any sweeping prediction, the chain had opened 15 centers between December 31 and the time we spoke with them in late January bringing its total to 276. And, president Art Sensinig said Grease Monkey, Denver, had sold 402 franchises. "The challenge," Sensinig said, "is to get the units open as quickly as possible."

Hindman estimated the total number of centers at about 3,000. He said there was no reason to worry about saturating the market for some time. "There needs to be about 10,000 before you have to worry about that." And, even Hindman only expects 8,500 centers by the mid-1990s. Jiffy Lube studies show that the quick lubes are doing about 5% of *all* oil changes. By 1995, Hindman expects the quick lubes to be doing 35% of all oil changes.

Changes Ahead

Before that happens, however, the quick lube market is going to go through some major changes. For one thing, a lot of the smaller operations are going to be swallowed up.

Vince Russo, vice president and general manager at Avis Lube, Garden City, NY, (which opened its first outlet in January, but has firm plans for 100 by the end of 1988), said, "There're too many people betting on the come. Too many people are living off a dream—if Jiffy can do it, why can't I? They're living with that vision

now, but in a year or two reality will set in. They'll find some financial troubles and there will be people looking for angels, some people say vultures, to bail them out. It's going to be interesting to see who steps in."

Avis is one company ready to step in; so is Jiffy.

Already in 42 states, Jiffy Lube doubled its national advertising royalty to 2% of gross sales to fund a $20 million national advertising budget (individual stores must also use 6% of gross sales for local ads). Although the company's long term agreements with Pennzoil were recently dissolved, Hindman said they were "not acrimonious. It was somewhat like a child who gets to be an adolescent. We wanted a different agreement. We buy 12 million gallons of oil a year, we ought to get a real good deal."

Hindman also noted that Jiffy is "the largest purchaser of filters in the world." The chain uses about 35,000 filters a day.

Hindman said the chain was the first quick lube approved for small business loans and it is instituting a program to promote minority ownership of Jiffy Lubes in cities. He hopes to move into cities beyond the 100 largest metropolitan areas.

"We just did a major study with Booz Hamilton that concluded that we were the only company that could legitimately afford to go into secondary markets. The big problem in this industry is fragmentation. We want to get big enough to be everywhere and have a strong central government of the industry. We welcome all quality independents to come talk to us about being acquired. We want to open a store a day."

THE TOTAL OIL CHANGE MARKET

Quick lubes sell about 5% of the total oil changes done annually. DIYers do about half, although they account for a larger percentage of oil sales.

Outlet	% Of Total Oil Changes
DIYers	45-50%
New Car Dealers	15-20%
Gas Stations	15-20%
Garages	10-15%
Quick Lubes	4-6%
All Others	1-2%

Source: *Automotive Marketing* estimates from various industry sources

The Good And Bad Of Franchising

Although franchising can be a problem, Hindman said, "Franchising is the superior method. I believe in the free enterprise system. We put a man in business and give him responsiblity. We have a small percentage of company stores. We do need places to train and experiment. We can demonstrate to bankers that we know how to run a quick lube. But none of our company stores have ever performed as well as the best of our franchises."

Still, Hindman conceded there was more franchise turnover "than we want. Some people are just not cut out for the business. Some turnover because of deaths and divorces. But the turnover is not 10% a year."

Finding the right franchisees is crucial. Lou Urbano, national sales manager for McQuick Oil Lube, Muncie, IN, noted that franchises are an absolute necessity for growth. "If you're strictly company stores, you can't grow fast enough unless you're backed by an oil company."

McQuick has 25 company stores and 38 franchises. "Because we have company stores," Urbano said, "we know more than our franchises about locations, financing, and hiring and training employ-

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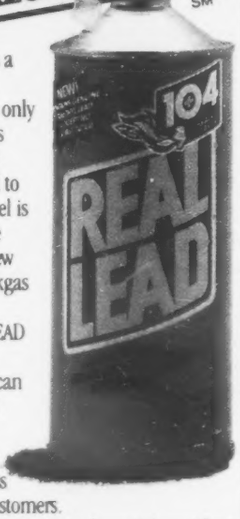

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MARKET LINE

ees. When you sell a franchise, you're selling your mistakes, your learning, and your name recognition. We're stepping a little carefully in growth. We're very cautious. We prefer to say no, if there's any chance of failure" By the end of the year, Urbano said McQuick will have 80-100 stores in various phases of opening.

Marshall Stevens, president of Oil Can Henry, Portland, OR, with 26 open and 79 sold, said selection is the key. "You have to give the franchisee the vision. You don't just want past gas station operators. I'd rather have ex-clothing merchants. They're concerned about the customer. We're not selling a service; we're selling service. You have to be concerned with the customer's feelings first, and the car second. We like fast food people too, because they have a background in customer service. We get these people and we train them for six weeks. They need it and they want it."

Virtually all the quick lubes follow up with franchise meetings, periodic inspections, and mystery shoppers to make sure the franchises live up to the chain's policies. But despite their efforts, the chains still have some stores that they wish they could close down.

The Company Stores

Company owned stores have no such problems. If a store is not meeting standards, the manager is replaced. Then too, they have the advantage of offering good employees promotions to assistant manager and manager in a growing company, which franchise operations seldom can do. Rapid's Kirshner summed it up, "With any business, if you own the operation, you have more controls and more long-term profit."

Although Rapid Oil Change is the only major quick lube committed to the quality control, training, and accountability of owned operations, Quaker State's Minit Lube is extremely selective about its franchisees. Minit has 88 franchisees and 188 company stores and plans to keep that ratio. The Minit people feel too many quick lubes emphasize selling franchises rather than developing the business.

Developing the business is a key problem for the quick lubes. Plenty of franchisees can come up with $50-75,000 in franchise and equipment fees, but as one conceded, "There's no way you can get in the business for $50,000. If you get help with the real estate, you can get the store open, but then you have to make a profit from day one."

Then too, a lot of companies have sold territorial franchises to people who just can't open centers. Although there seem to be a lot of franchises sold, many are, as one franchisor admitted, "No more than a gleam in someone's eye and a few dollars up front for a franchise fee. They were sold on liberal terms three or four years ago when the company was selling franchises as fast as possible. Now the company says it has 500 locations sold, but many of those locations are never going to open."

THE INSTALLED OIL CHANGE MARKET

Most observers feel new car dealers now do more oil changes than gas stations, although the two are very close in market share. However, in total sales of oil, gas stations probably still lead because they deal with older cars with larger crankcases. But the real increase in market share goes to the quick lubes which have gone from practically nothing to about 15% of the market in seven years.

Outlet	% Of Installed Oil Changes
New Car Dealers	25-30%
Gas Stations	25-30%
Garages	20-25%
Quick Lubes	14-16%
Volume Retailers	5-10%
Tire Stores	5-10%
All Others	1-3%

Source: *Automotive Marketing* estimates from various industry sources.

National Chains?

Quick lube operators expect Jiffy Lube, Rapid, and Minit Lube to become the national chains. "Jiffy has more awareness than the other chains combined," one competitor said. "They have a substantial lead, but will they continue to grow at the same rate? No. They were growing by acquisitions because they were the only company acquiring others. They've already sold a lot of franchises. Some franchises are growing; some aren't."

There's no question that Rapid and Minit Lube will grow. As a competitor said, "They have the money to cover their mistakes." However, they may run into competitive situations with local quick lubes already selling their oils. "The tie-in will pose some problems," a competitor said.

Grease Monkey is seen by its competitors as a company on the edge. Whether it will begin opening its 402 sold franchises quickly, sell out, or settle into a solid regional operation like Oil Can Henry, McQuick, or Oil Express, Chicago, remains an enigma.

Avis Lube stands to be the odd man out. If the company has strong support from Avis and Kendall, and it has the good franchises it claims, it could be a major player in two or three years.

"Everybody wants to be the McDonald's of the quick lube industry. I don't want to be McDonald's; I want to be Burger King. We're used to being number two," Russo said.

One thing that is almost inevitable in quick lube competition is price wars. Right now, the quick lube industry enjoys pricing determined more by an industry standard (around $21-22) than by competition. But as one noted, "Our services are not significantly different. What do we offer that our competitors don't? We all say we provide better service. But the customer may not perceive it. So we may get down to price wars."

Price wars favor the big guys who can take advantage of name recognition, better financing, and buying power to gain market shares. There's also the impact of the real "big guys," the major retailers and big oil companies.

Other Players

For example, within the next year, Sears will have Sears Timesaver Oil Change in its 700 or so auto centers. They're aimed at the female shopper who knows Sears and uses a Sears credit card. For Sears, putting the car in the shop and inspecting it while changing the oil, is like "finding money."

Wal-Mart is also testing a similar operation for its 150-odd centers. Although Wal-Mart would not discuss the test program with us, it has spoken with at least one of the three largest chains about the concept. Some observers believe Wal-mart is interested in a leased operation.

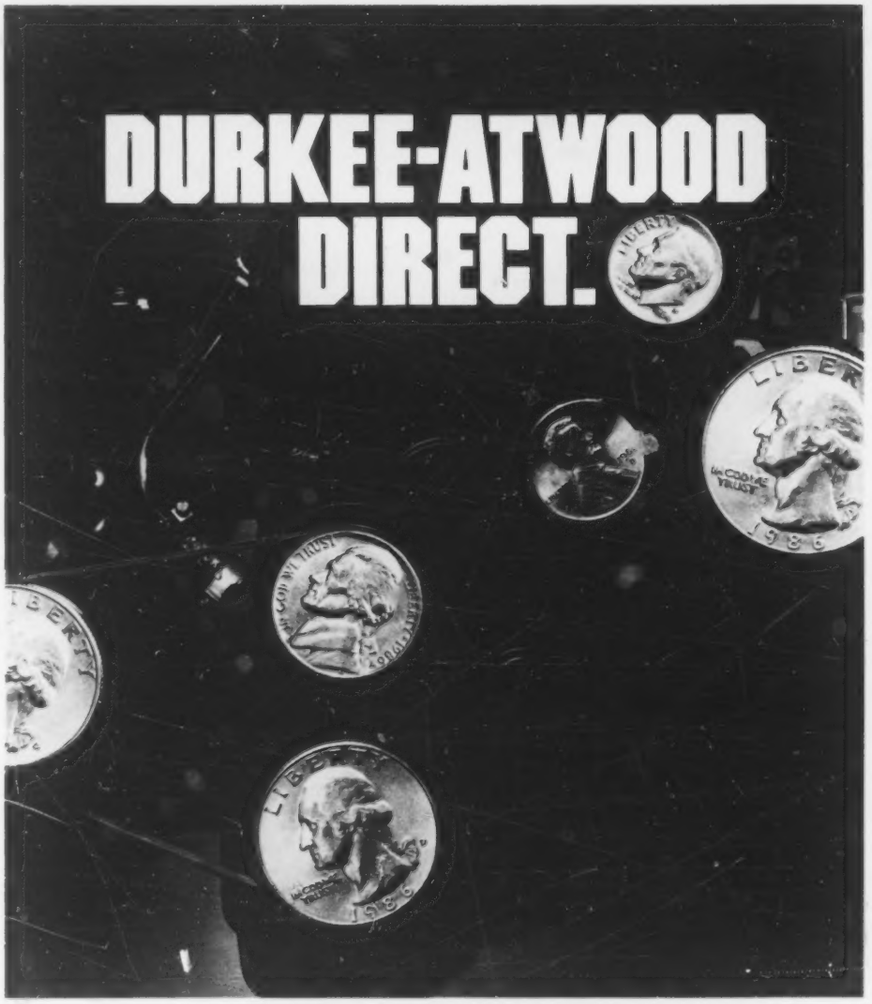
Both Sears and Wal-Mart will drain some customers from the "pure" quick lube operations.

What could also change the situation is the entrance of big oil companies. Rumors have been flying around about oil companies and quick lubes for several years, but with few actual developments. Chevron is running two prototype operations in California while Amoco opened its first Amolube in an automall in Bernsville, MN, in December. Exxon, in a joint venture with Canada's Mr. Lube International, is planning to test market Mr. Lube USA early this year; Texaco is experimenting with Express Lube in Houston; and Phillips 66 is testing Speedy Lubes in Denver. Any one of these, or other oil companies, could use their products, money and locations to upset the market quickly.

However, one quick lube franchisor commented, "Does big oil need oil change centers? Exxon has what, 16,000 gas stations? A few hundred quick lubes aren't enough to fool around with. Another problem, think of all the conflicts they'll have with their dealerships. Now the Pennzoils, Quaker States, Valvolines, that's different. Oil is their bread and butter. Quick lubes are becoming a significant part of the business. Buying a quick lube is just one way to be sure their competitors don't dominate the market."

Other Problems

Finally it's getting harder to find locations. Quick lubes have grown fastest in the west where real estate is cheap. Now they're moving east where land is dearer. "The competition for the right location is not just other lubes," McQuick's Urbano noted, "but it's every retail chain looking for a parcel of ground." Furthermore, it's not just a matter of money, but as Sensinig pointed out, it take hard work



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and patience to get a center open.

Oil Can Henry's Stevens detailed some of the problems he's encountered. "Communities say we don't want a lot of clutter along the streets. We want nice clean little office buildings or big shopping centers. And permits for automotive centers are still touchy. People think of clutter and dirt. A lot of junk cars sitting around and unsavory greasy people loitering. Besides, everybody's competing for the same spots.

"It's not like the 1960s where you had five or six options. Now there's only one option. Or none. Plus, some communities are starting to say, 'No growth.' Sometimes, it takes 15 months to get a permit. It's time consuming and expensive. Getting a permit in six months today is good. You file site and design plans. Sometimes communities object to the colors and signs. We had one community which wanted to see the color of the azalea bushes in bloom before they'd approve the site. Sometimes you can't have pylon signs; sometimes signs must all be the same color, all the same size letters.

"An old gas station may be a good location, but there are pollution problems. If you buy it, you have to clean it up. Open the tanks, ventilate, clean up the soil around the station if there's been any leakage. To put tanks in the ground you need double wall tanks. We use three—two for new oil, one for waste. Ten years ago, a tank ran about $5,000; now with double walls and alarms, it's close to $40,000. Now, we put smaller tanks in the basement. So wait till the fire marshal looks at them. He looks at the waste oil tank like it's a live bomb. You still need containment around the tanks.

"We're in several auto malls. We think they're good, but they're not a guarantee. It all boils down to location. Also, you can have a bad mix of tenants. You can get lost in the signage. They're certainly no panacea.

"It's not like building a convenience store," Stevens concluded. "We deal with a lot of silly problems. But that's life in America."

The quick lubes are going to grow, but the market is going to get tougher. ■

RETAILERS

A Busy Time For Major Aftermarket Chains

In case you haven't been keeping up with all the changes going on among the leading auto chains, here's a capsule summary of what's happened in the last 18 months with the top 12 chains. These 12 chains own about 3,500 stores.

Northern Automotive Group, Seattle, (Checker/Schuck's/Kragen, Phoenix) bought the Perry Drugs Auto Works stores, Pontiac, MI, (about 250 stores) and the eight store U-Save chain, Van Nuys, CA. The group now operates about 760 stores.

Chief Auto, Dallas, management conducted a leveraged buy-out from parent Southland Corp. They are testing service bays.

AutoZone, Memphis, TN, is the new name for the approximately 400 Auto Shack stores following the settlement of a suit with the Tandy Co. (Radio Shack). They are testing service bays.

Western Auto, Kansas City, MO, went public in January 1987. It bought the NTW tire stores to add to its previous acquisition of the Tire America stores. It also announced a major franchise expansion drive.

Otasco, Tulsa, OK, sold off its Rapid Distributing Div. to concentrate on its retail operations.

Trak Auto, Landover, MD, bought out its Thrifty Drug partner in Trak West and consolidated the Trak stores.

Nationwise Auto Stores, Columbus, OH, bought the 77-unit Guarantee Auto Store chain in Indianapolis, IN. Guarantee has service, Nationwise does not.

Pep Boys, Philadelphia, opened an Atlanta regional warehouse to match its regional warehouses in Dallas and Los Angeles. It consolidated all buying in Philadelphia, closing its Pep Boys West buying office. It operates service bays in most stores.

Whitlock Auto Stores, Chicago, which operates Giant Auto Supply, National Auto Stores, Strum Auto Supply, and Whitlock Auto Supply, was acquired by the London-based Ward White Group and then acquired the Florida-based Rose Auto Stores.

Grand Auto, Oakland, CA, was bought by PACCAR, which also owns Al's Auto Supply in Everett, WA. Grand has service, Al's does not.

Champion Auto Stores, Minneapolis, and **Advance Auto**, Roanoke, VA,

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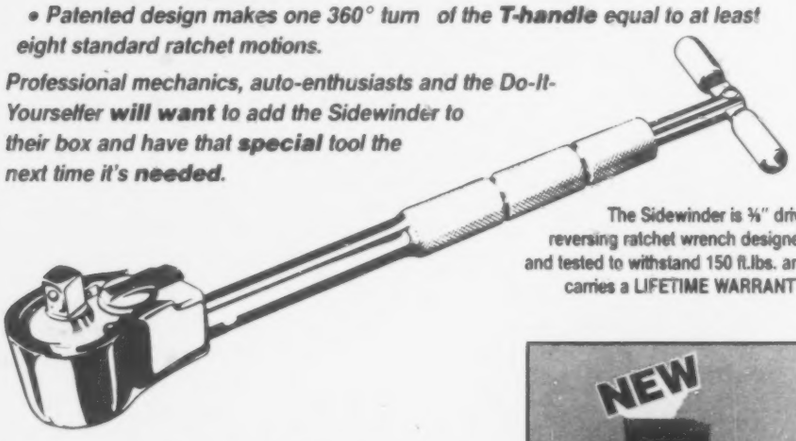

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CONSUMER AUTOMOTIVE REPAIR STUDY

INTRODUCTION

by **Philip Katcher,** Research Editor, **John Wirebach,** Senior News & Features Editor, **Gail Krueger-Nicholson,** Managing Editor, **Rosemarie Kitchin,** Editor, and **Nellann Phelan,** Editorial Intern

In the whole, trends in the changing world of the automotive DIYer that we saw in 1987 continue to hold true in 1988.

Then we said more women were maintaining their own vehicles—without professional help. That's still a trend, as we continue tracking DIYers and the jobs they do in three year cycles. This year's study was designed to be directly comparable to the one we did in 1985.

In 1985, we found that 27% of all DIYers were women; in 1988 that percentage has grown to 34%. As we'll see, however, there are indications that while the overall percentage of women who are DIYers continues to grow, the number of women who are increasing how much they actually do on a vehicle is slowing down considerably.

DIYers are making more money now than in 1985. Then, 34% made less than $20,000 a year. This year, we found that the percentage making that amount of money dropped to 25%. On the other hand, 16% made more than $40,000 annually in 1985 and the percentage now making that sum is 21%.

There was a noticeable drop in the percentage of DIYers who were responsible for maintaining three or more vehicles. In 1985, 23% said that they had responsibility for three or more vehicles. In 1988, the percentage had dropped to 16%.

In other areas, however, the 1985 and 1988 percentages remained relatively equal.

Self-Service Shopping

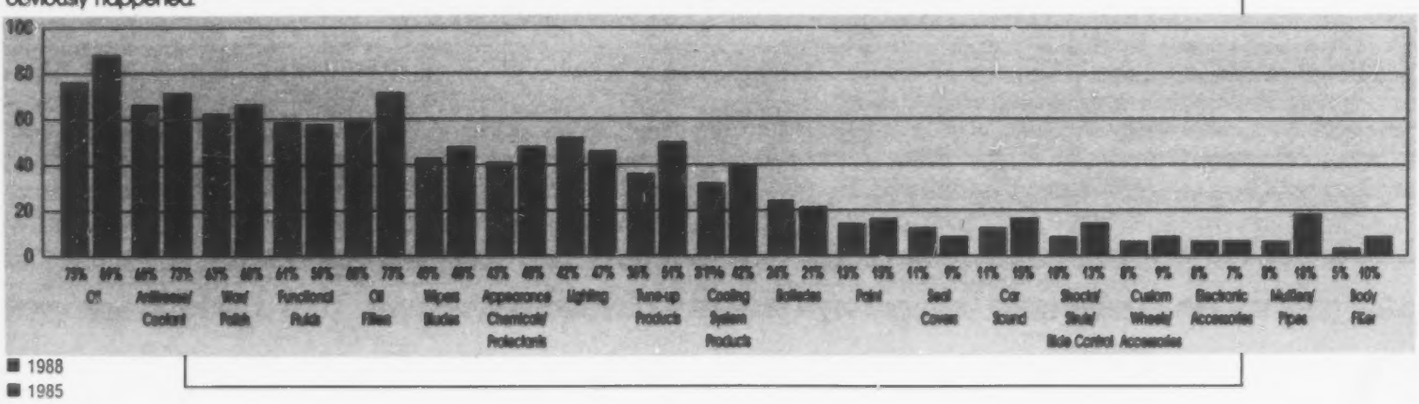
Overall percentages were roughly the same in 1985 and 1988 when comparing DIYers who chose their own merchandise to those who asked for help from store personnel. Just slightly over three quarters found what they wanted without sales help.

As might be expected, there are differences among these two groups, however, which still make an experienced, trained sales force important in reaching some DIYers.

A larger-than-normal percentage of those who seek help on the sales floor are women (38% asked for help), young (25% of those asking for help were under 25 years old), and making less money than average (27% of those who asked for help make under $25,000 annually). Those asking for help don't spend a great deal of time working on their vehicles—28% spent less than an hour a month on vehicle maintenance. And, 51% of those who asked for help in looking for automotive aftermarket products spent less than five automotive DIY hours a month, in all. They are responsible for maintaining fewer vehicles: 30% of those asking for help also

PRODUCTS DIYERS INSTALLED THEMSELVES

We asked DIYers what products they actually installed themselves in 1988 and 1985. Most changes were only slight over the years, but the long awaited drop in tune-up products has obviously happened.



INTRODUCTION

maintain only one vehicle.

This isn't a group that spends a great deal of money in the aftermarket. But, it is a group that offers a great deal of potential in terms of future sales. It should, therefore, be encouraged.

On the other side of the coin, those with the self-confidence needed to simply walk in, pick up what they think they need, pay for it, and walk out are male (84% of males said they needed no help), older (80% of those not needing help are over 55 years old), better off (79% of this group make over $40,000 annually), and highly active in DIY (83% of those rejecting help spend 11 or more hours monthly on vehicle maintenance). They maintain more vehicles: 81% of those not needing help work on three or more vehicles.

These are already prime customers: Get them into your stores, leave them alone, and ring up those sales.

What Jobs They Can Do

Almost half (49%) of DIYers said they could only do "some" automotive maintenance jobs. The rest said they could do "any," "most," or "almost no" automotive maintenance jobs in roughly the same percentages in both 1985 and 1988. There was a decrease in those who could do "any" type of automotive job from 13% in 1985 to 7% in 1988. Otherwise the percentages were the same at 29% for "most," and 14% for "almost no."

The most confident DIYers might be expected to be the hardest workers and, therefore, the best auto parts store customers. This isn't necessarily true, however. Where only 4% of those who spent less than an hour monthly on vehicle maintenance work said they could do any type of job in 1985, by 1988 this figure had grown to 9%, not good news for their retail parts sources. Those making under $20,000 annually who could do any type of job—a key group of individuals who are forced to maintain older cars—had dropped from 12% in 1985 to 8% in 1988.

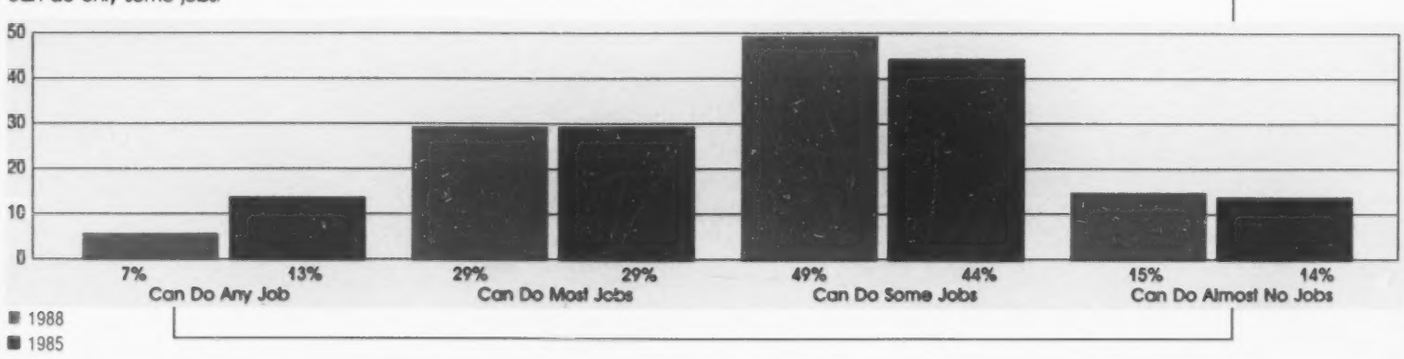
The groups in which there are significantly above average numbers of DIYers who have little confidence in their abilities, who say they can do almost nothing on a vehicle themselves, are women (31%), middle-aged (21% saying they can't do much were between 45 and 55 years old), and in a lower income bracket (20% of those making less than $20,000 annually said they fell into this category). They don't do much of this kind of work anyway; 31% of those spending less than an hour a month on their vehicles said they fit into this category.

Doing More Or Less?

For some time now, people have been talking about the in-

DIY SELF IMAGE

We asked DIYers in 1988 and 1985 what sort of automotive jobs they thought they could do. There has been a significant drop in the number of those who thought they could do just about anything, while more think they can do only some jobs.



CONSUMER AUTOMOTIVE REPAIR STUDY

INTRODUCTION

creasing number of women getting into automotive DIY. Well, the blush is off the rose. In 1985, 60% of all women said they had increased the amount of vehicle maintenance they'd done over the previous year. In 1988, that percentage has dropped a significant 13% to only 47%. This is higher than the percentage of all DIYers who said they'd increased the DIY work they'd done in the previous year, 38%, but it shows the trend towards women doing ever-increasing amounts of work on their vehicles, at best, slowing down.

Is there any growing group, then? Interestingly, the only growing group of DIYers who say they're increasing their vehicle maintenance work, by age, are those under 25 years old. In 1985, 31% of those increasing their work were in this age group; in 1988, 40% were. All other groups were roughly the same in 1985 and 1988.

But, the news about the younger DIYers increasing work is encouraging. After all, it's young customers who make up most markets' potential growth.

Why They're Doing More Or Less

For some years now, aftermarket experts have been saying that new vehicle technology was going to put a fair number of DIYers out of business. This year, we can see that this technology is actually affecting the aftermarket. In 1985, 15% of all DIYers said they'd done less DIY work over the previous year because their vehicles were too technologically complicated; this number had grown to 20% in 1988. It was the only significant swing in answers between the two studies.

This complex technology has forced more men out of DIY (22% of male DIYers cited this reason in 1988 compared to 16% in 1985), more prime DIY aged individuals out (68% of those those citing this reason were between 25 and 44 in 1988 against 42% between those ages in 1985), and more DIYers making over $40,000 annually (52% of those who gave this reason in 1988 versus 21% in 1985).

The technology isn't slowing down everybody, however. In 1985, 21% of those who had increased automotive DIY work over the previous year said it was because they'd gained confidence in their own repair skills. This percentage jumped to 28% in 1988; those who have mastered the new technology have gained confidence to do even more.

In all, 32% of all male DIYers gave this as their prime reason for increased DIY work in 1988, a significant jump from the 22% who gave that reason in 1985. Younger DIYers, too, felt they could do more. Only 20% of those under 25-years-old who increased the DIY work they'd done in the previous year cited this reason in 1985. But, in 1988, it was 34% of that age group who gave this as the reason they'd increased their DIY work. And, only 9% of those who made more than

STUDY METHODOLOGY

This year marks the fifth consecutive year *Automotive Marketing* has produced its benchmark *Consumer Automotive Repair Study (CARS)*. This year also marks the second year of tracking the results in three year cycles.

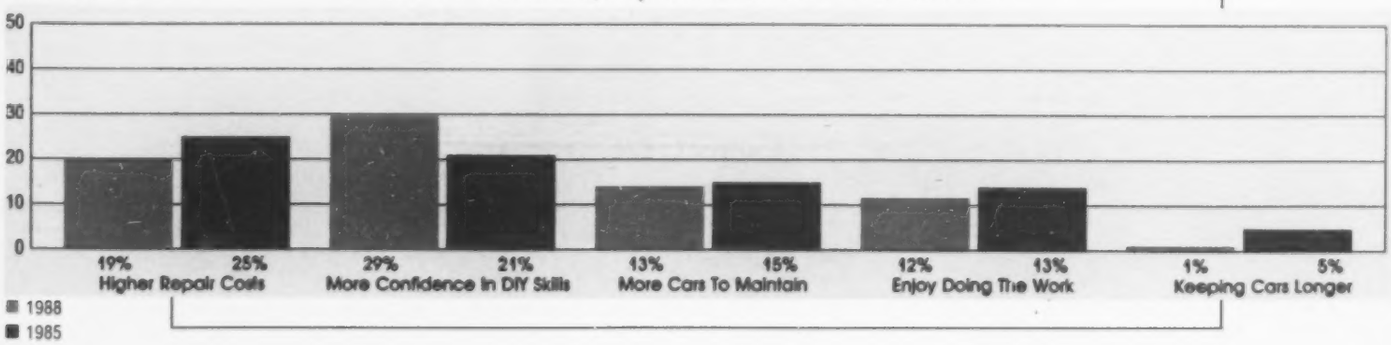
Last year, and in 1984, our study sought to get and compare basic demographics on certain product categories. This year, and in 1985, we took our study a step further. We first wanted to find out about purchase patterns—why the respondents shopped a particular outlet for a particular product; why they chose a particular brand; whether and how they were influenced by advertising; and so forth. We also wanted to be able to project the study results across the entire U. S. population.

One thing that has not changed over the years is the way in which we gather this information—by phone from a carefully qualified respondent base. As in 1985, this year's study focused on the retailers' target market—people primarily responsible for the maintenance of at least one vehicle who do some sort of automotive DIY, be it as major a job as rebuilding an engine or as minor as washing and waxing a car.

Chilton Research Co., one of the country's leading market research firms, made the

WHY DIY INVOLVEMENT HAS INCREASED

Why did those who are doing more DIY work now than before choose to do this sort of work? We compared the answers in 1988 and 1985 and found that the largest change was in the number of DIYers who are confident of their DIY skills.



CONSUMER AUTOMOTIVE REPAIR STUDY

INTRODUCTION

$40,000 annually in 1985 gave this reason for increasing DIY work. But, an astounding 32% in this income group gave this reason in 1988.

So, the new technology is not scaring those DIYs who have learned to be comfortable with it. All in all, these are telling arguments for further consumer education at all levels.

Extended Service Contracts

This year, we asked DIYers if their vehicles were covered by extended service contracts or agreements. Generally, the industry figures that about 40% of today's vehicles are sold with some sort of extended service contract. However, only 25% of DIYers have any agreements of this nature. In part, this may be so because DIYers may own older cars, but in part it may also be so because those who trust their own maintenance skills may feel that such an expensive, extra agreement is unnecessary.

Overall, some aspects of aftermarket sales have been affected by these agreements, at least among the quarter of DIYers out there who did pay for one. Of this group, over half (58%) said they're returning more to the dealer for service covered by the agreement as a result. Only 14% of this group said that the haven't been using some form of professional service more as a result of the agreement.

However, the basic maintenance jobs that are the bread and butter to most auto parts stores—oil changes, radiator flushes, and accessory additions—have not been affected by these agreements, even among those holding them. In all, 91% of those who bought an extended service agreement with their new vehicles said that they had not changed how they regularly maintained their vehicles.

Other Comparisons

This is the second time we have compared two of our *CARS* studies. This study, as our 1985 study, concentrated on the reasons why the DIYer bought a product where he or she did. Those reasons really haven't changed over a three-year period. Now, as then, on the average, the DIYer looks for a friendly store that's easy to get to and has the image of having low prices. Once in the doors, he or she looks for the products they need that have the quality they want.

It's as simple as that: Put stores in convenient locations, build an image of low pricing, and stock the stores with quality merchandise. Then sit back and listen to the bells of the cash registers. But, of course, that was as true three hundred years ago as it is today. And, that's what our studies show. ■

actual telephone interviews and tabulated the results.

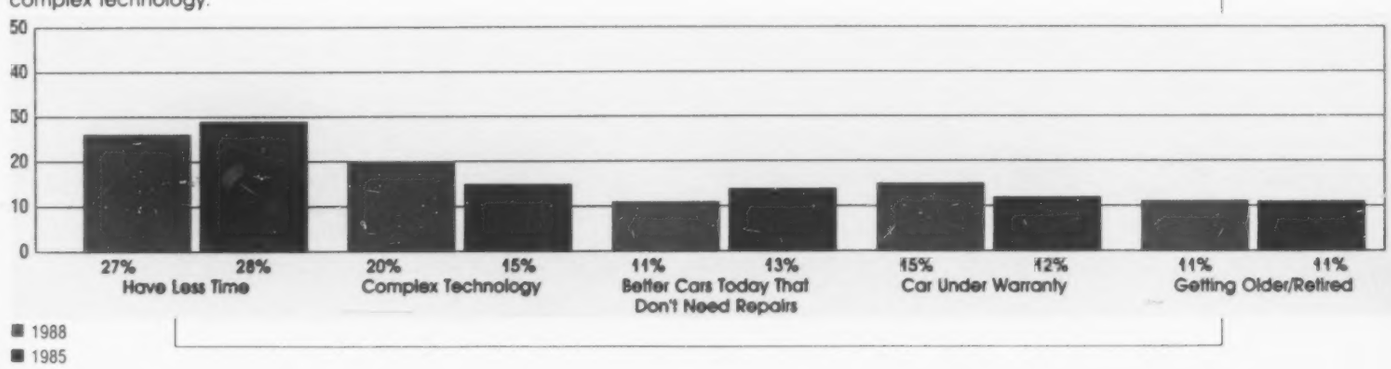
If the person reached on the phone did not qualify both as a vehicle maintainer and an automotive DIYer, the interview was terminated. And, in order for a qualified respondent to answer any of the questions about the individual products, he or she had to have *both bought and installed* the product within the preceding 12 months.

The answers that the interviewers got were "top-of-mind" answers. Many questions were open-ended, meaning that interviewers did not provide a list of possible answers for a respondent to select from. Instead, the interviewers took down the respondent's first response. Market research professionals feel that lists of suggested answers tend to prejudice the responses.

In much the same way, the interviewers did not "probe." That is, they did not ask, "Is there anything else?" after they received an answer. The result of this is that the answers reflect the respondents' automatic and first choice answers. This means that, for example, respondents answered that things such as price and quality influenced their choice of the type of brand to buy, rather than packaging. In truth, packaging and other aspects of the product obviously do influence purchases, but they are not first in DIYers' minds.

WHY DIY INVOLVEMENT HAS DECREASED

We asked DIYers in 1988 and 1985 why they have cut back on the the amount of work they do on their vehicles. The largest change was brought about by the new, more complex technology.



CONSUMER AUTOMOTIVE REPAIR STUDY

TUNE-UP PRODUCTS

Tune-up products DIYers—those who installed products such as spark plugs, spark plug wires, distributor parts, and modules—made up 36% of our 1988 *CARS* study participants. That percentage is less than in earlier years (in 1985 it was 51%), but it is still a substantial number. Only simpler tasks like fluid or chemical installation and filter replacements rank higher on our survey.

Although many people say the tune-up market will fall off because of more elaborate technology, we see three good signs. First, 44% of those who did tune-up product installations said their level of DIY involvement has increased. So it seems DIYers are learning how to do more tune-up work. Secondly, of those who owned foreign cars, 53% said the tune-up installation was on a foreign car. This means DIYers are not afraid to work on a foreign car. And finally, 90% of the tune-up product installers said they were very likely to do the job again.

The DIYers were mainly males (91%) and half (50%) were under 34. Some 54% of them made over $30,000.

The high cost of professional repairs was the main reason for doing it for 65% of the respondents. Another 16% of tune-up DIYers wanted to make sure the job was done right, and 13% said they enjoyed the job and got personal satisfaction from it.

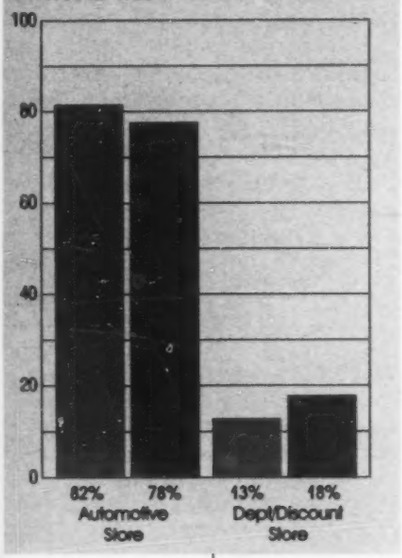
Although discount and department stores are increasing popular parts selections, the auto parts store was still the choice of 82% of *CARS* DIYers, an overwhelming majority. Discount and department stores drew just 7% and 6% respectively.

Why did DIYers choose a particular outlet? Price was the number one reason, according to 44% of tune-up DIYers. Second was convenient location for 38% of DIYers. A good selection of product attracted 17% of tune-up installers.

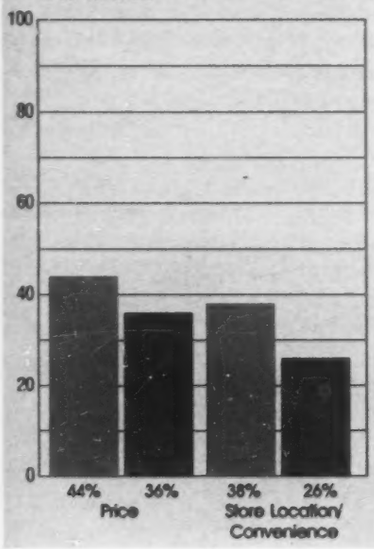
Just over a quarter (27%) of tune-up DIYers comparison shopped before making a purchase. However, advertising only influenced some 18% of the DIYers.

National advertised brands won out with 87% of DIYers. Only 9% were willing to buy a store brand. DIYers chose a particular brand mainly for two reasons: quality (22%) and price (19%). However, a smaller percentage, 16% said they chose a brand out of habit. ■

TUNE-UP PRODUCTS PURCHASE BY OUTLET TYPE
Where did tune-up products installers last buy the products: Comparing the major changes from 1988 to 1985.

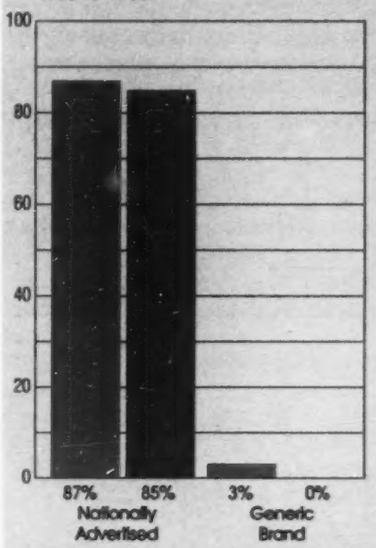


REASON FOR PURCHASING TUNE-UP PRODUCTS AT SPECIFIED OUTLET
Why did tune-up products installers buy the products where they did: Comparing the major changes from 1988 to 1985.

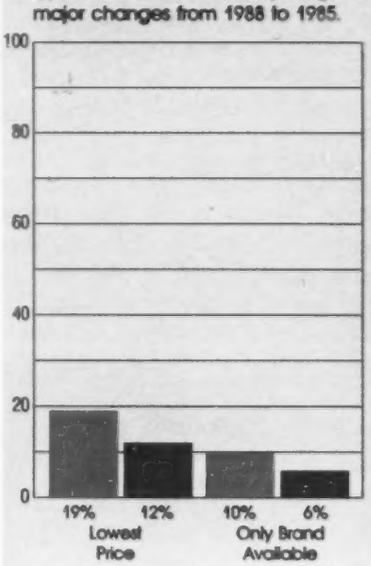


■ 1988
■ 1985

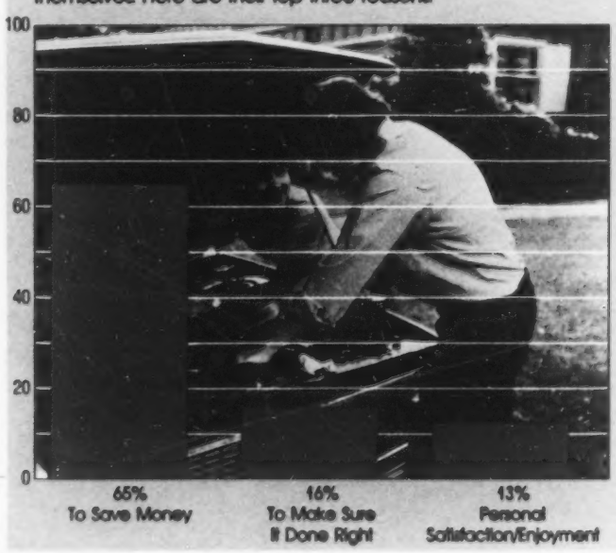
TUNE-UP PRODUCTS PURCHASE INCIDENCE/INFLUENCES
What type of brand of tune-up products did the installer buy: Comparing the major changes from 1988 to 1985.



Why did the installer purchase the type of brand he did: Comparing the major changes from 1988 to 1985.



WHY THEY DIY
We asked our 1988 DIYers why they installed tune-up products themselves. Here are their top three reasons.



CONSUMER AUTOMOTIVE REPAIR STUDY

CATALYTIC CONVERTERS

There are not a lot of people in the replacement catalytic convertor market yet, and those who have purchased and installed the product themselves give a mixed verdict about the likelihood of repeating the installation. That's what we found in our first *CARS* foray for data about this emerging replacement parts category.

The people who reported buying catalytic convertors were, to a person, male (100%), and young (100% under 45 years old and 51% younger than 25). The great majority were on the lower end of the economic scale (68% at less than $20,000 annually), but 14% of catalytic convertors purchasers/installers earned more than $40,000 a year. The greatest majority of men who tackled this replacement were dedicated DIYers spending more than 11 hours per month on vehicle maintenance and repair (86%). They maintain two (51%) or more (49%) cars, and none of them see a decline in their automotive DIY activity in the future.

Although they planned their purchase (83%) rather than bought on impulse (17%), advertising had absolutely no effect on them (100%). However, brand is a consideration because 68% bought a nationally advertised brand, indicating that being part of a respected corporate product line lends credibility to a new product offering such as catalytic convertors. But nearly a third (32%) didn't know what brand they had purchased.

Their reasons for purchasing the brand they did were 1) reputation (51%), 2) quality and convenience (tied at 18% each), and 3) price (14%). As for comparison shopping for their cat convertors, about half shopped around (51%) and half didn't (49%).

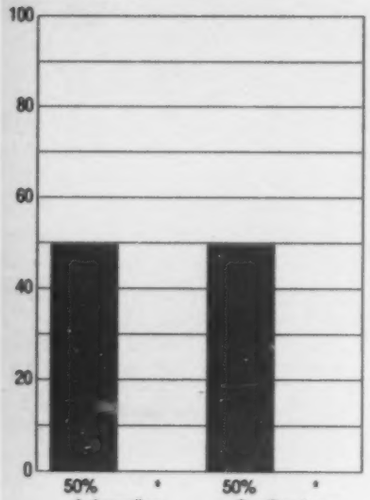
Their reasons for doing their own installation, the catalytic convertor installers told us, were to save money (35%) or because they enjoyed the task (65%).

The vehicle population data shows that this product will become more important in the aftermarket as cars and trucks require emission system component replacement to comply with clear air standards.

Retailers who wish to take advantage of this product opportunity have an extensive job of consumer education before them. However, it may pay off at the POS counter. Whether the majority of the business goes to the DIY segment or to the professional installer segment where it's a natural for exhaust and undercar specialists is something *CARS* will continue to track. ■

CATALYTIC CONVERTER PURCHASE BY OUTLET TYPE

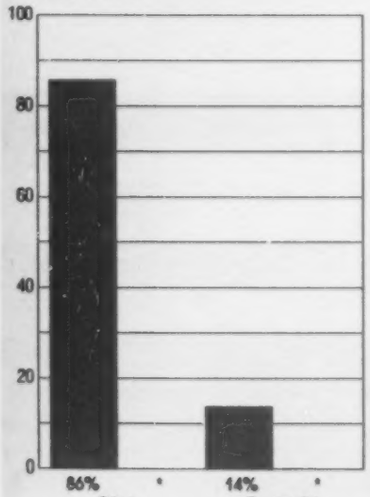
Where did catalytic converter installers last buy the product: Comparing the major changes from 1988 to 1985.



* No data from 1985

REASON FOR PURCHASING CATALYTIC CONVERTER AT SPECIFIED OUTLET

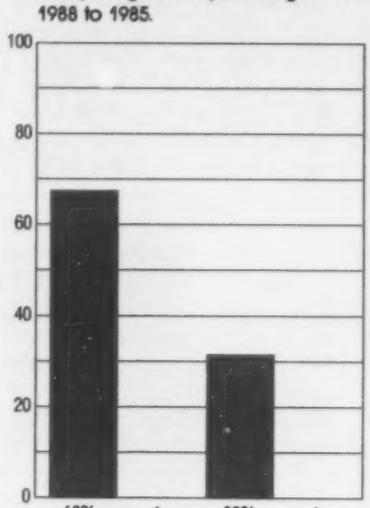
Why did catalytic converter installers buy the product where they did: Comparing the major changes from 1988 to 1985.



* No data from 1985

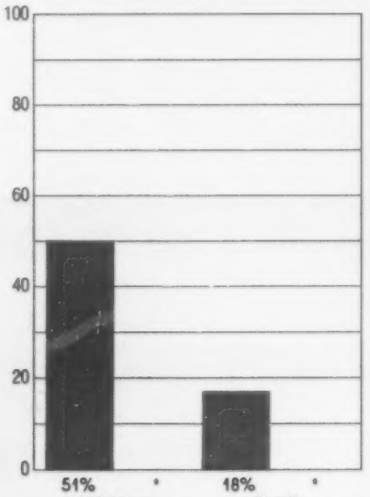
CATALYTIC CONVERTER PURCHASE INCIDENCE/INFLUENCES

What type of brand of catalytic converter did the installer buy: Comparing the major changes from 1988 to 1985.



* No data from 1985

Why did the installer purchase the type of brand he did: Comparing the major changes from 1988 to 1985.



* No data from 1985

WHY THEY DIY

We asked our 1988 DIYers why they installed catalytic converters themselves. These are their only reasons.

■ 1988
■ 1985

CONSUMER AUTOMOTIVE REPAIR STUDY

FUEL INJECTION COMPONENTS

Fuel injection components is a brand new ignition product category for our *CARS* survey. We found that only 3% of respondents to the survey had bought and installed some kind of fuel injection component in the last year. But as the number of fuel injected cars on the road continues to grow, the number of DIYers installing these parts should also grow.

Although the sample is very small, we can see some trends that will be worth following in the next few years. For one thing, 48% of DIYers installing fuel injection components said their level of involvement with DIY work had increased. For another, 85% of those doing the work were under 44-years-old, and 54% were under 34-years-old. Many aftermarket observers say younger people who grow up with electronics will not be scared by new technologies. We found some evidence of that. Of the total *CARS* survey group, 21% were under 25-years-old; but 25% of those doing this installation were under 25-years-old.

The main reason for doing the installation was to save money, according to 39% of the DIYers. Another 25% said it was simple and easy to do. However, 25% said they were not at all likely to do the job again. Still, about two-thirds (67%) said they would very likely do the next fuel injection installation themselves.

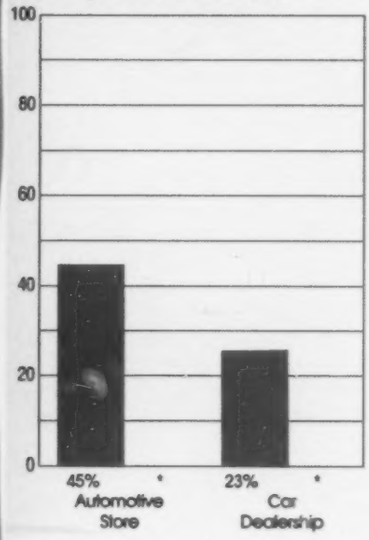
Although auto parts stores received the largest percentage of DIYer's business with 45% shopping there, other outlets received substantial amounts. For example, 23% of DIYers purchased fuel injection components at a new car dealership, and 14% bought the parts at a service station.

Only 13% of DIYers said they were influenced by advertising. Price, convenience, and necessity were the key reasons for selecting an outlet. Price was the leading reason advanced by 26% of the DIYers. Convenience drew responses from 25%. And, almost a quarter (23%) said they chose an outlet simply because it was the only place to get the part. However, we should note that only 11% comparison shopped before buying.

Less than half (48%) the DIYers bought a national brand. The rest bought a store brand (20%), a white box generic product (17%), or an OE brand (9%). The leading reason for selecting a brand was the lack of other brands to choose from, according to 28% of DIYers. ■

FUEL INJECTION COMPONENTS BY OUTLET TYPE

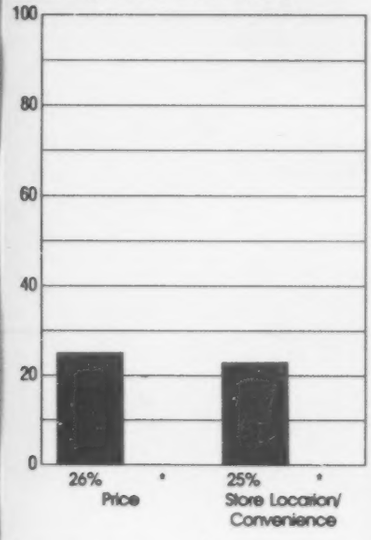
Where did fuel injection components installers last buy the product: Comparing the major changes from 1988 to 1985.



* No data from 1985

REASON FOR PURCHASING FUEL INJECTION COMPONENTS AT SPECIFIED OUTLET

Why did fuel injection components installers buy the product where they did: Comparing the major changes from 1988 to 1985.



* No data from 1985

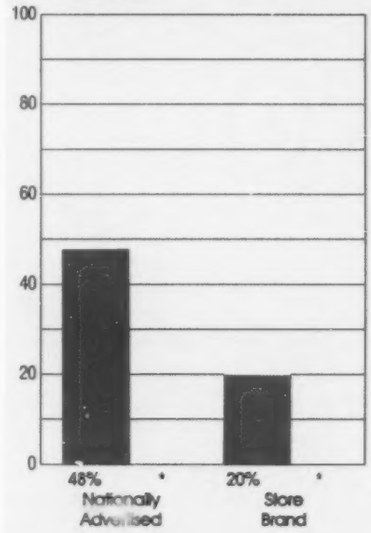
■ 1988
■ 1985

WHY THEY DIY

We asked our 1988 DIYers why they installed fuel injection components themselves. Here are their top three reasons.

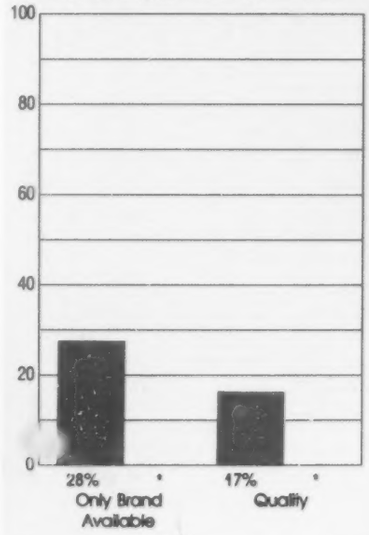
FUEL INJECTION COMPONENTS PURCHASE INCIDENCE/INFLUENCES

What type of brand of fuel injection components did the installer buy: Comparing the major changes from 1988 to 1985.



* No data from 1985

Why did the installer purchase the type of brand he did: Comparing the major changes from 1988 to 1985.



* No data from 1985

CONSUMER AUTOMOTIVE REPAIR STUDY

WINDSHIELD WIPERS/BLADES

People who purchase windshield wipers and blades for their own installation are buying more from automotive parts stores than they did three years ago. Both discount stores and gasoline/service stations lost market share in DIY sales: The discount outlets slipped from a 21% share of market (SOM) in our *1985 CARS* study to the 14% of the current study, and gasoline/service stations lost four points, going from 13% to 9% incidence of purchase.

Automotive DIYers who buy and install these products are predominantly male (75%), young (69% younger than 45 years old), and casual DIYers who spend between one and five hours monthly maintaining their cars (65%). Income doesn't seem to make much difference since DIYers of all income levels were equally involved with wiper or blade installation.

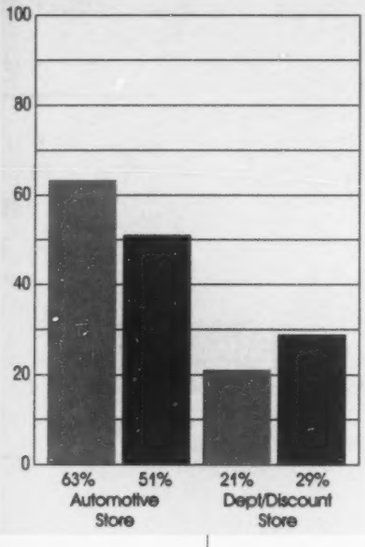
Only one in eight installers thought their purchase had been influenced by advertising. Of those who did respond to ads, half remembered store advertising read, seen, or heard in the media (50%), and the other half (50%) cited in-store advertising or displays as their reason for purchase. However, of all wiper product installers, 59% bought a nationally advertised brand (whether it triggered their specific purchase or not, they were aware of the ad campaign).

These DIYers bought the products where they did because of convenience or location (53%), and for price (32%). Product selection was the prime reason for 15% of the sales. Impulse purchases took a significant plunge from our study three years ago, going from 23% in 1985 to 11% in 1988. That could be because the industry has spent a lot of effort and time to promote the product category, and DIYers are more aware of the need for replacement and plan their purchases rather than relying upon in-store displays to spur the buy.

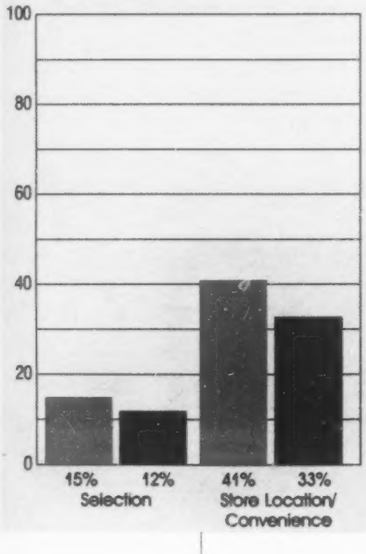
Will they buy and install these products again? According to them, the answer is a resounding positive yes, with 97% answering that.

The key to growth in this product category may well be more consumer education and promotion: The incidence of DIY activity in this category has slipped, although not significantly, from 48% to 45% in the past three years. ■

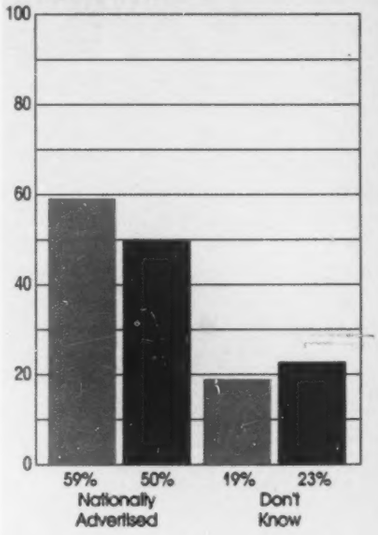
WIPERS/BLADES PURCHASE BY OUTLET TYPE
Where did wipers/blades installers last buy the product: Comparing the major changes from 1988 to 1985.



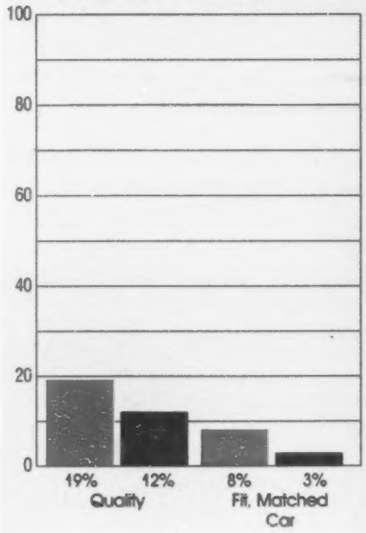
REASON FOR PURCHASING WIPERS/BLADES AT SPECIFIED OUTLET
Why did wipers/blades installers buy the product where they did: Comparing the major changes from 1988 to 1985.



WIPERS/BLADES PURCHASE INCIDENCE/INFLUENCES
What type of brand of wipers/blades did the installer buy: Comparing the major changes from 1988 to 1985.



Why did the installer purchase the type of brand he did: Comparing the major changes from 1988 to 1985.



WHY THEY DIY
We asked our 1988 DIYers why they installed wipers/blades themselves. Here are their top three reasons.

CONSUMER AUTOMOTIVE REPAIR STUDY

BODY FILLER

It's obvious that the continuing change to thinner metals and modern body materials on new cars has seriously affected the body filler market. We found just half as many DIYers who purchased and installed body filler in 1988 as we did in 1985.

There is, however, good news with the bad. The *CARS* study suggests that the purchaser of body filler is a very serious DIYer who has a major car restoration and maintenance project, rather than being a simple vehicle maintainer. Body filler DIYers are overwhelmingly male (88%), young (37% under 25 and 22% between 25 and 34), and make less than $20,000 annually. This suggests a young man with an old car—the auto parts store's favorite customer—is the prime buyer of body filler.

This is the kind of person who knows what has to be done with his car and plunges ahead with the job. He's not terribly influenced by advertising when deciding to buy the product—83% said they weren't so influenced. And, even among those who did, the major media that was noticed by body filler purchasers was an in-store display.

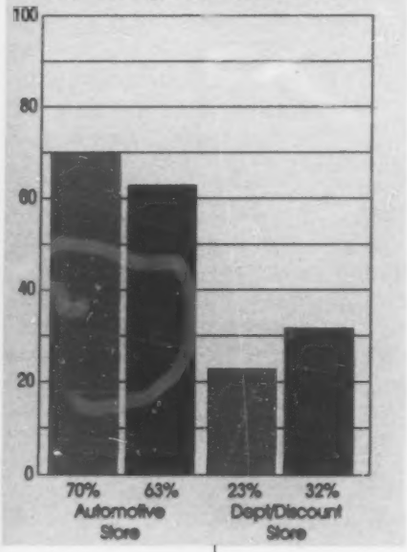
Obviously, they'd already decided to buy the product (88% planned to buy it before going to a store) and were simply looking in the store for it. Also, they didn't shop around: 80% said they did not comparison shop for body filler. So, most of them knew the store before going.

This is verified in the answers of why they bought the product where they did. Some 31% bought body filler where they did because the store was conveniently located; another 26% said the store offered the lowest prices around. Just about the same percentage (25%) bought the type of body filler they did because of its cheap price: More DIYers gave that as an answer for why they bought what they did than any other answer.

So, while body filler might not be a major best selling product, it's an important part of a product mix that appeals to the most important single customer an auto parts or chain store can have—the young maintainer of an older car, with somewhat less income than the national average, who must spend money on his car just to keep it running and wants it to look good. Price, at least the image of low price, is the key to attracting this valuable customer. ■

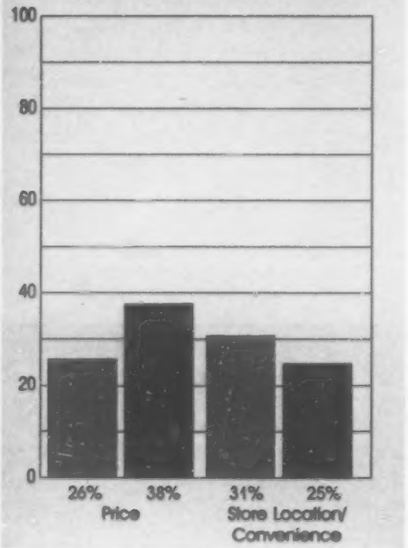
BODY FILLER PURCHASE BY OUTLET TYPE

Where did body filler installers last buy the product: Comparing the major changes from 1988 to 1985.



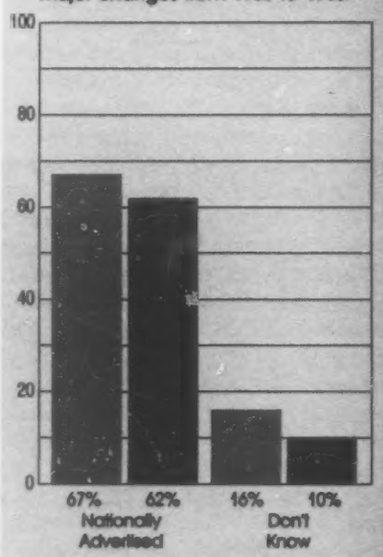
REASON FOR PURCHASING BODY FILLER AT SPECIFIED OUTLET

Why did body filler installers buy the product where they did: Comparing the major changes from 1988 to 1985.

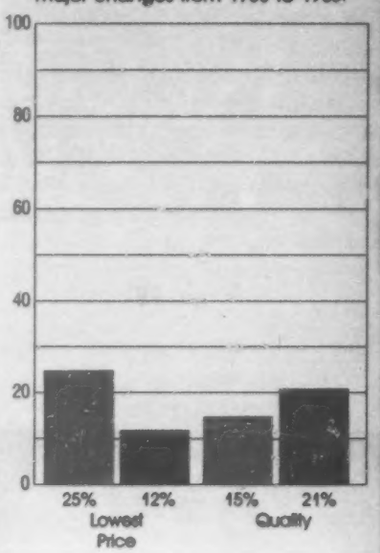


BODY FILLER PURCHASE INCIDENCE/ INFLUENCES

What type of brand of body filler did the installer buy: Comparing the major changes from 1988 to 1985.



Why did the installer purchase the type of brand he did: Comparing the major changes from 1988 to 1985.



WHY THEY DIY

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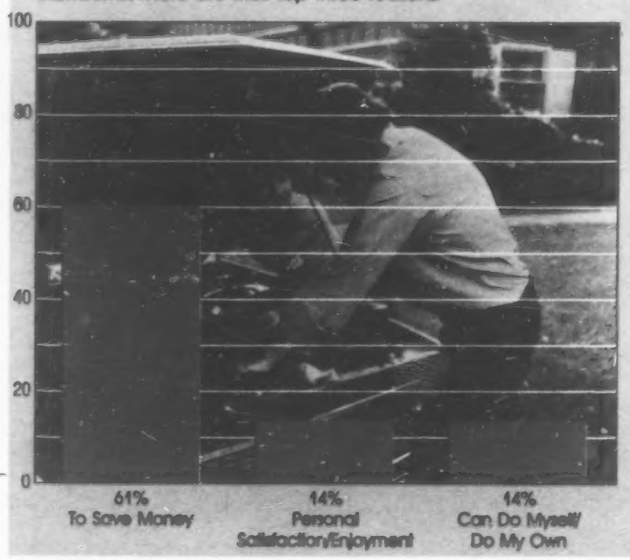


■ 1988
■ 1985

CONSUMER AUTOMOTIVE REPAIR STUDY

PAINT

Maybe it's because of the formulas used for new vehicle paints these days, but the automotive parts retailer lost very significant paint sales to car dealerships these past three years. In 1985, 53% of the automotive DIYers who bought and used paint on the vehicles they maintain bought the product at auto parts stores. This year, the percentage slipped an alarmingly 12%, to 41%. And the dealerships, at 8% of our DIY market tally three years ago, tripled their share to 25% of the buy-and-brush-or-spray market. Outlets such as discount and department stores and body shops stayed near the same share of market (SOM) they had in our *CARS* study three years ago.

The percentage of paint purchase overall between the two studies had slipped to 13% in 1988 from the 19% in 1985. That, too, may be explained by the new clear coat finishes on vehicles.

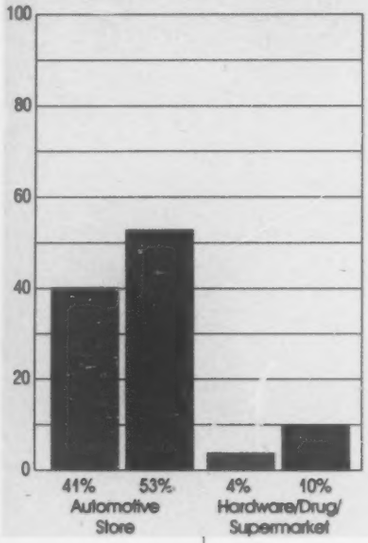
The DIYers purchasing and using automotive paint are male (81%), younger than 35 (53%), and spend between one and five hours working on cars and trucks each month (48%). While a quarter of them make less than $20,000 per year, a quarter (27%) also make more than $40,000 a year. Nearly half of the buyers in this product category who bought their paint at a dealership make more than $40,000. Their purchases may be touch-up items for new vehicles.

Advertising doesn't draw their attention much. Only 12% said advertising influenced their purchase. Of that small group, store messages in the media were noticed by 61%, and in-store promotion such as shelf-talkers or other POS items drew the attention of 41%. People purchased where they first saw the paint: 93% of our respondents did not comparison shop for paint, and nine out of ten bought as part of a planned purchase.

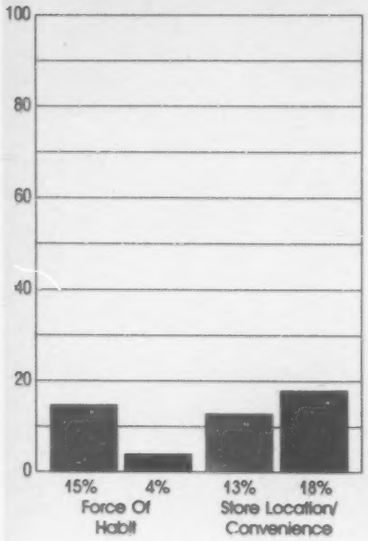
Our painters bought the product where they did because of the product selection (40%), because of price (20%) and because of habit (25%). And they bought a nationally advertised brand in 61% of the instances vs. a store brand (18%).

Outlook for the category? Watch for the manufacturers to promote tomorrow's touch-up and replacement paint for today's (and tomorrow's) clear coat finishes. ■

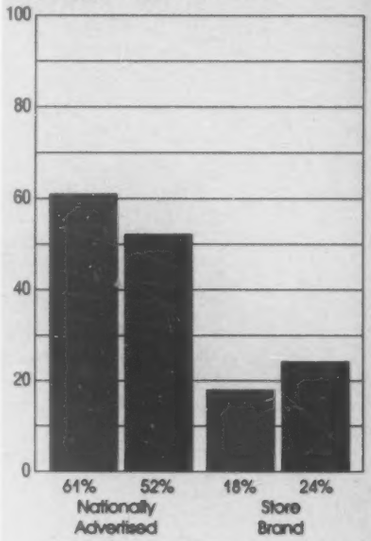
PAINT PURCHASE BY OUTLET TYPE
Where did paint installers last buy the product: Comparing the major changes from 1988 to 1985.



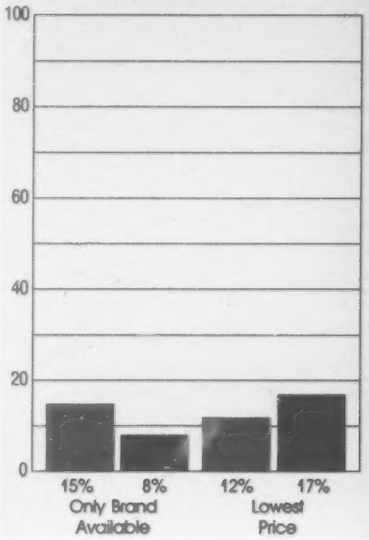
REASON FOR PURCHASING PAINT AT SPECIFIED OUTLET
Why did paint installers buy the product where they did: Comparing the major changes from 1988 to 1985.



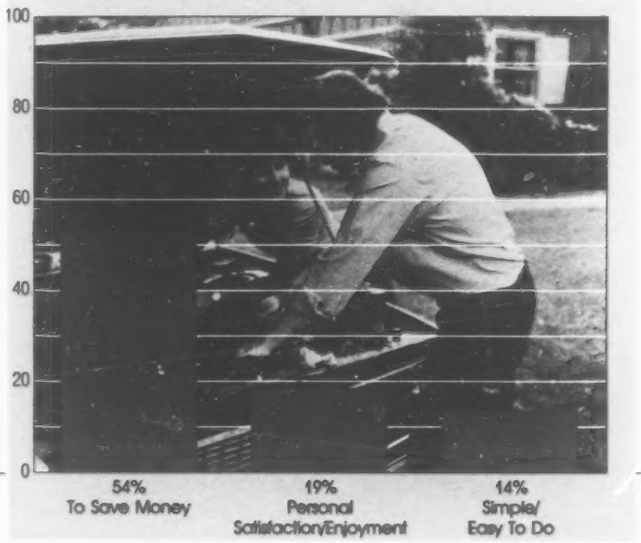
PAINT PURCHASE INCIDENCE/ INFLUENCES
What type of brand of paint did the installer buy: Comparing the major changes from 1988 to 1985.



Why did the installer purchase the type of brand he did: Comparing the major changes from 1988 to 1985.



WHY THEY DIY
We asked our 1988 DIYers why they installed paint themselves. Here are their top three reasons.



CONSUMER AUTOMOTIVE REPAIR STUDY

OIL

Oil DIYers, now more than in 1985, consider price when buying oil.

In 1985, when we asked oil DIYers why they purchased a particular brand of oil, the major reason was quality (30%), followed by price (23%). Yet today price is the top reason for buying a particular brand of oil (27%), followed closely by quality (23%).

The typical DIYer, in 1988, continues to do very little comparison shopping for oil. Though down slightly from 91% in 1985 to 87% in 1988, DIYers, overwhelmingly, prefer to buy nationally advertised brands of oil. And, as stated before, DIYers are consider price before quality when purchasing oil.

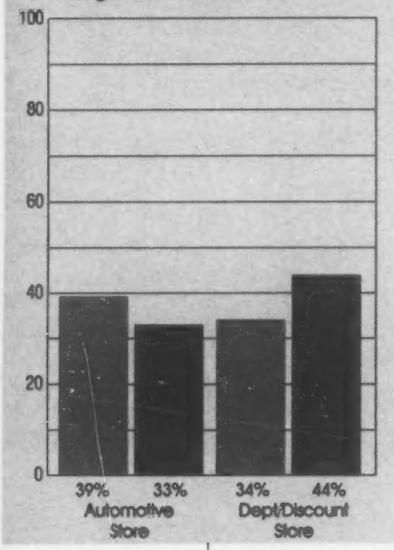
The average oil DIYers we spoke to for this year's study were male (71%), between 25 and 34 years of age (32%), and were light DIYers, spending five hours or less a month doing DIY work. Ninety-six percent of the DIYers said that they were very likely to install the product again.

The number of oil DIYers influenced by advertising dropped from 44% in 1985 to 40%. When asked what kind of advertising influenced the buyer the most, 57% of the DIYers responded that store media advertising did, a sharp drop from 68% in 1985. Yet the percentage of DIYers who were influenced by advertising who said they noticed in-store forms of advertising increased, up from 15% to 22%. More of them noticed store circulars, up from 11% in 1985 to 16%, and more of them noticed shelf/floor displays, up from 4% 1985 to 10% in 1988.

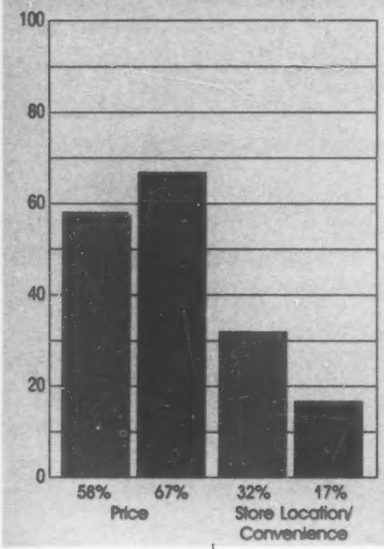
Thirty-nine percent of the DIYers buy their oil products from automotive stores, 6% more than in 1985. And there was a sharp drop from 34% to 22% in the number of DIYers purchasing oil products at discount stores, a surprising change considering that price is the number one reason why DIYers purchase an oil product.

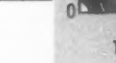
Overall, DIYers in 1988 are concerned with the same obvious factors when deciding to buy oil. DIYers want quality oil at the lowest possible prices. ■

OIL PURCHASE BY OUTLET TYPE
Where did oil installers last buy the product: Comparing the major changes from 1988 to 1985.



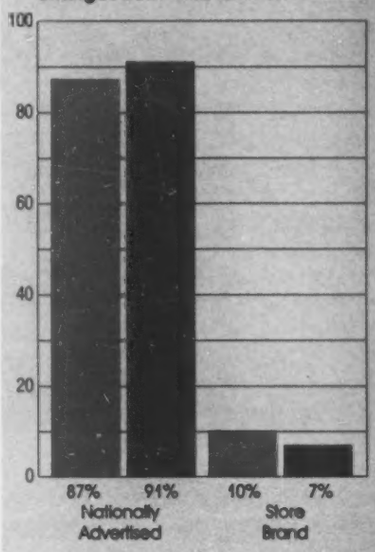
REASON FOR PURCHASING OIL AT SPECIFIED OUTLET
Why did oil installers buy the product where they did: Comparing the major changes from 1988 to 1985.



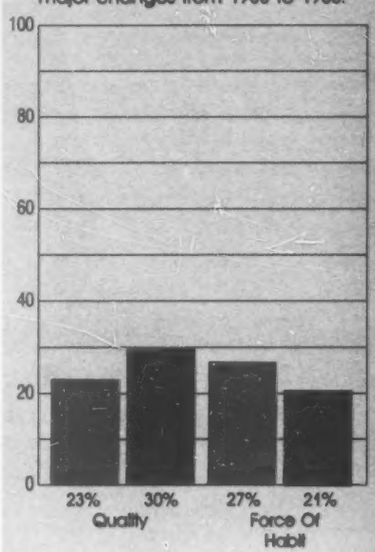


WHY THEY DIY
We asked our 1988 DIYers why they installed oil themselves. Here are their top three reasons.

OIL PURCHASE INCIDENCE/ INFLUENCES
What type of brand of oil did the installer buy: Comparing the major changes from 1988 to 1985.



Why did the installer purchase the type of brand he did: Comparing the major changes from 1988 to 1985.



CONSUMER AUTOMOTIVE REPAIR STUDY

OIL FILTERS

Oil filter DIYers installed their own filters to save money and because it is an easy job.

Some 73% of *CARS* DIYers in 1988 said doing it themselves was a way to save money or that it was an easy thing to do. It wasn't surprising then, to see that 46% of the DIYers buy the lowest priced oil filters and that 90% of the respondents said they would very likely be installing filters again, down slightly from 93% in 1985.

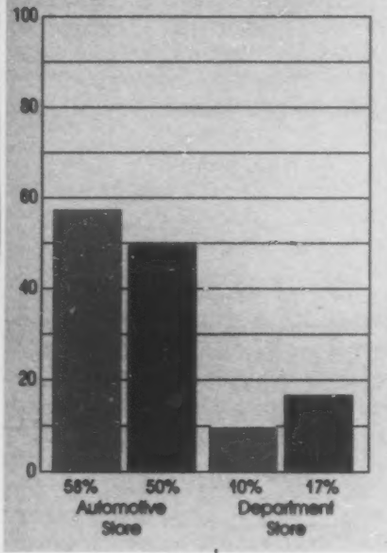
The largest percentage of filter DIYers we talked to were male (84%), younger than 51-years-old (51%), and usually spend between one and five hours a month on DIY. Forty-three percent of the filter DIYers said they planned to increase their level of involvement in DIY. Over 67% of the respondents owned two or more vehicles.

DIYers continue to buy nationally advertised brands of filters, 72% today vs. 71% in 1985. They buy fewer store brand filters, 21% today vs. 23% in 1985. They did buy a few more generic filters, however, 4% today vs. 2% in 1985. And 46% of these DIYers chose the lowest priced product, an increase from only 27% in 1985.

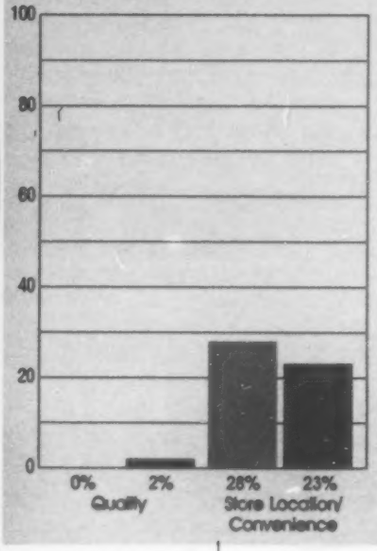
This year, DIYers were buying considerably more oil filters from automotive stores (58% today vs. 50% in 1985), slightly more from discount stores (27% vs. 24% in 1985), but fewer filters from department stores (10% today vs. 17% in 1985). And 28% of the DIYers chose their filter outlet because it was convenient.

The same percentage of DIYers in 1988 comparison shopped for oil filter as did in 1985 (30%). This year, 84% of DIYers planned the purchase of filter products, a sharp decrease from the 91% who planned their purchases in 1985. This year, slightly more DIYers (38%) were influenced by advertising than in 1985 (36%). Yet in both 1988 and 1985, 61% of those influenced by ads said they noticed media advertising by stores. But slightly more DIYers noticed in-store advertising this year (16%) and shelf/floor displays (9%) than in 1985 (14% and 6% respectively), showing that in-store advertising plays an important role in the DIYer's decision to buy filters. ■

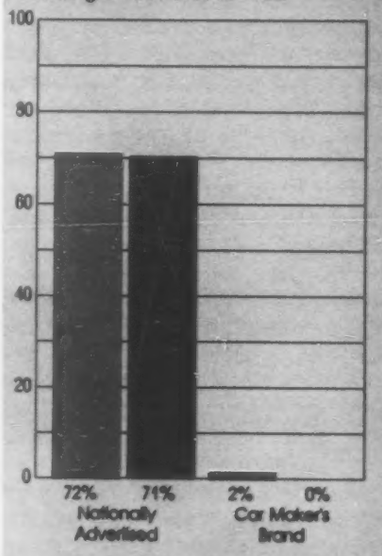
FILTER PURCHASE BY OUTLET TYPE
Where did filter installers last buy the product: Comparing the major changes from 1988 to 1985.



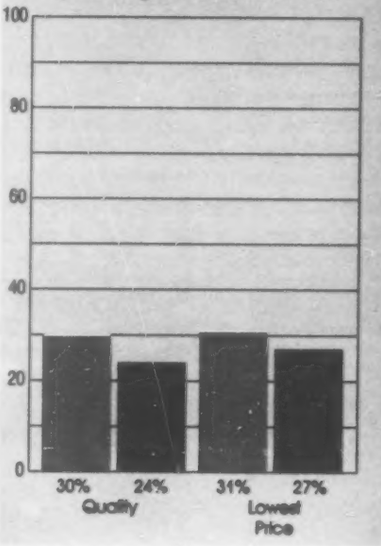
REASON FOR PURCHASING FILTERS AT SPECIFIED OUTLET
Why did filter installers buy the product where they did: Comparing the major changes from 1988 to 1985.



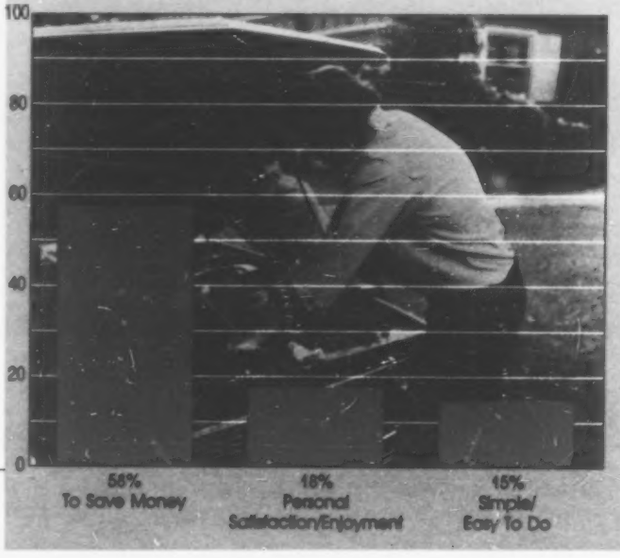
FILTERS PURCHASE INCIDENCE/ INFLUENCES
What type of brand of filters did the installer buy: Comparing the major changes from 1988 to 1985.



Why did the installer purchase the type of brand he did: Comparing the major changes from 1988 to 1985.



WHY THEY DIY
We asked our 1988 DIYers why they installed filters themselves. Here are their top three reasons.



CONSUMER AUTOMOTIVE REPAIR STUDY

WAX/POLISH

Wax and polish DIYers returned to the automotive chain stores to buy these products, but fewer of them than before seem to enjoy making their vehicle look good.

This year, 42% of wax and polish DIYers bought the products in an auto store, a sharp up-turn from the 34% who purchased the products there in our *CARS* study published in March, 1985. In that study, 46% of the DIYers bought the product in department or discount stores; only 39% did so this year.

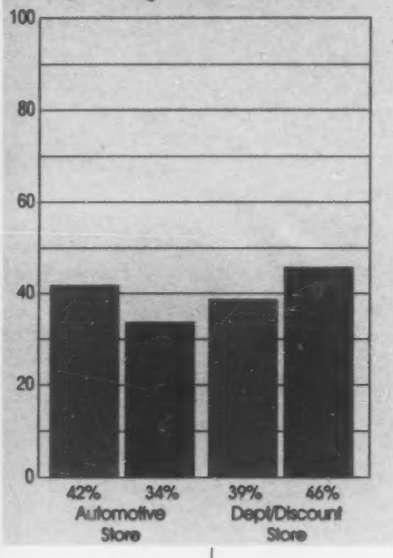
The other significant difference between this year and 1985 is that slightly fewer of the DIYers we spoke to for this study purchased nationally advertised brands than did so back in 1985, 90% vs. 95%. More of this year's crop of appearance-aware DIYers bought a brand because it had the lowest price, 14% today vs. 10% in 1985; and fewer of them selected a brand because it was well-known, 11% today vs. 13% in 1985.

The wax and polish DIYers we spoke to for this year's study were male (68%), between 25 and 44 years of age (55%), and, for the most part, were light DIYers spending five hours or less doing DIY work each month (73%). Some 37% of these DIYers said they planned to increase their DIY involvement.

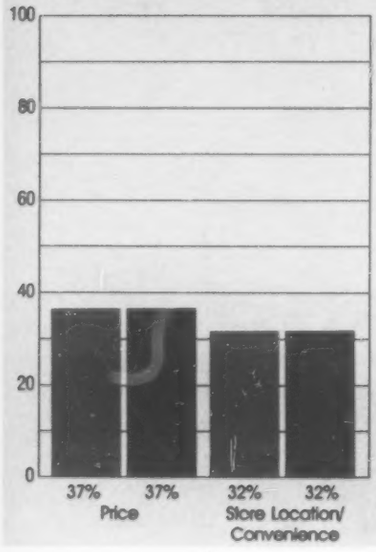
This year, when we asked these DIYers why they bought the brand they did, 7% said they bought it because of advertising, only 1% fewer than in 1985. However, when we asked them if their purchase was influenced by any advertising 32% said yes, their purchase was influenced by advertising. What type of advertising did these DIYers notice? They noticed media advertising by the store (62%), in-store advertising (20%), and shelf or floor displays (12%). Interestingly enough, only 26% of these wax and polish DIYers said they comparison shopped for the products. Another 29% said their appearance chemical products buy was an impulse purchase.

Obviously, wax and polish DIYers do pay attention to product promotion, particularly in-store advertising. Perhaps that is what brought them back to the automotive chain stores to make their wax, polish, and protectant purchases. ■

WAX/POLISH PURCHASE BY OUTLET TYPE
Where did wax/polish installers last buy the product: Comparing the major changes from 1988 to 1985.

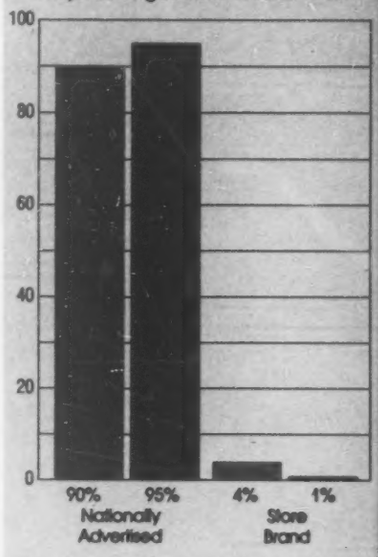


REASON FOR PURCHASING WAX/POLISH AT SPECIFIED OUTLET
Why did wax/polish installers buy the product where they did: Comparing the major changes from 1988 to 1985.

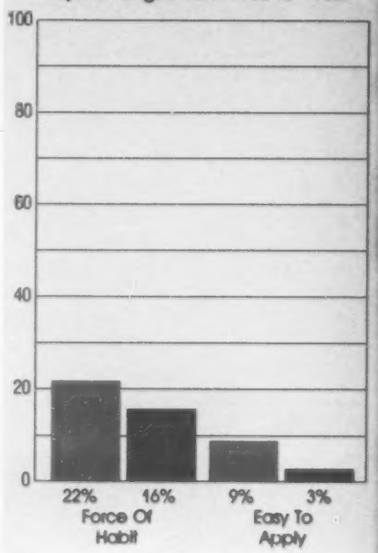


■ 1988
■ 1985

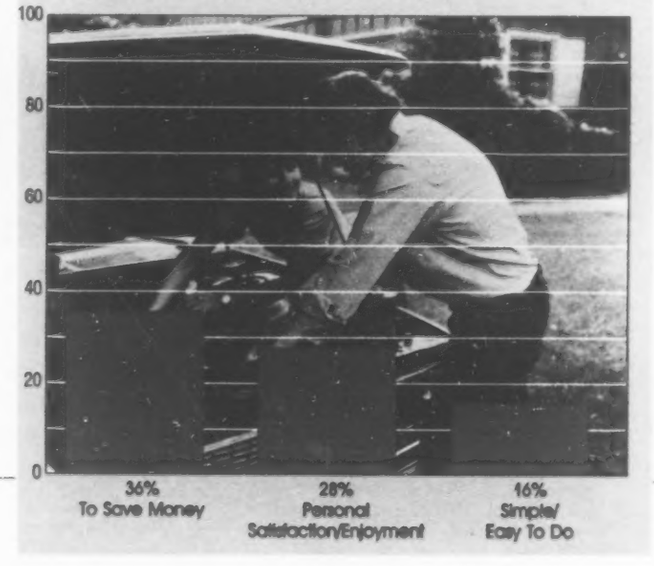
WAX/POLISH PURCHASE INCIDENCE/ INFLUENCES
What type of brand of wax/polish did the installer buy: Comparing the major changes from 1988 to 1985.



Why did the installer purchase the type of brand he did: Comparing the major changes from 1988 to 1985.



WHY THEY DIY
We asked our 1988 DIYers why they installed wax/polish themselves. Here are their top three reasons.



CONSUMER AUTOMOTIVE REPAIR STUDY

APPEARANCE CHEMICALS/PROTECTANTS

You might think that most DIYers buy appearance chemicals as impulse items. Sorry, Charlie, that's not the case. In fact, 71% of DIYers who purchase and apply their own appearance chemicals sauch as protectants went into a store intending to buy some sort of product from this category.

What sort of DIYer is the appearance chemical user? Mostly, he's male (71%), between 25 and 34 years old (35%), making $30,000 to $40,000 annually (27%), who spends one to five hours a month on vehicle maintenance (62%). These DIYers are evenly divided between those who maintain one and those who maintain two vehicles (37% each). And, most of them (44%) increased the amount of automotive DIY work they've done within the past year.

Consumer advertising is very heavy in the appearance chemical industry. Therefore, we were not surprised to find a larger percentage than normal of DIYers saying they were influenced by advertising in deciding what type of appearance chemical product they bought. In all, 30% said they were so influenced. And, 93% said they bought some national brand of appearance chemical product.

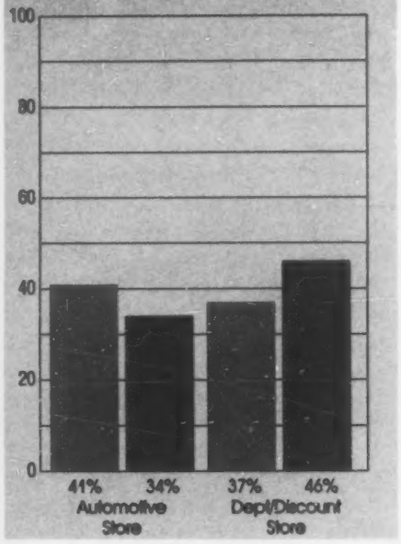
However, much of this effective advertising is obviously done at the retail level, since 81% of those who were influenced by advertising told us that the advertising they noticed was done by a store rather than a manufacturer. And, few of them said they noticed any displays or advertising material in the store.

That's possibly because most appearance chemical buyers look for the store's chemical section rather than displays. Most of them (71%) planned to buy such a product before going to a store and selected where they bought the product according to the store's convenient location (36% gave this as their reason for buying where they did).

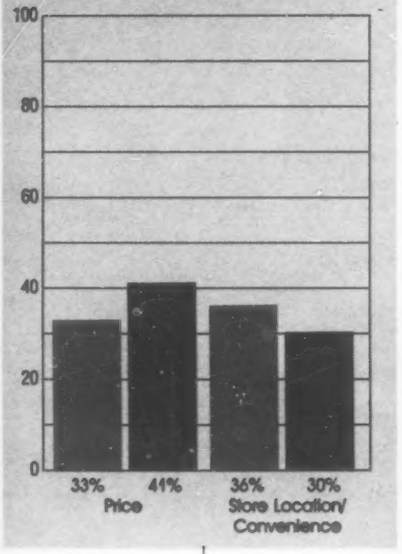
On the other hand, once in the store and looking at the shelves of available chemical products, most (32%) bought the product they did because of its quality. Another 17% said they chose a "well-known brand." And, only 6% picked the product they did because of its low price.

The key to selling appearance chemicals, then, appears to be offering and promoting—but not necessarily by the use of sale prices—known national brands. ■

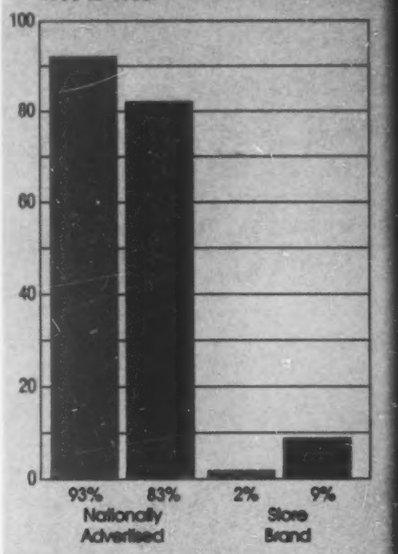
APPEARANCE CHEMICALS PURCHASE BY OUTLET TYPE
Where did appearance chemicals installers last buy the product: Comparing the major changes from 1988 to 1985.



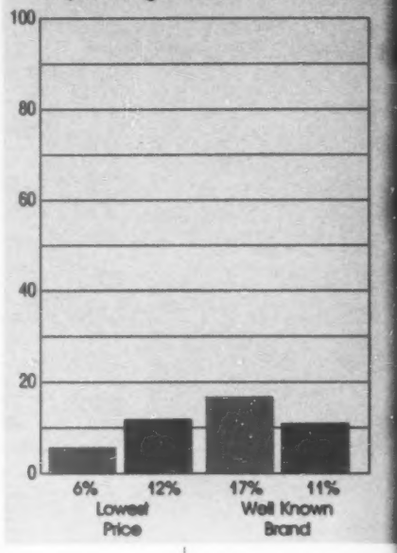
REASON FOR PURCHASING APPEARANCE CHEMICALS AT SPECIFIED OUTLET
Why did appearance chemicals installers buy the product where they did: Comparing the major changes from 1988 to 1985.



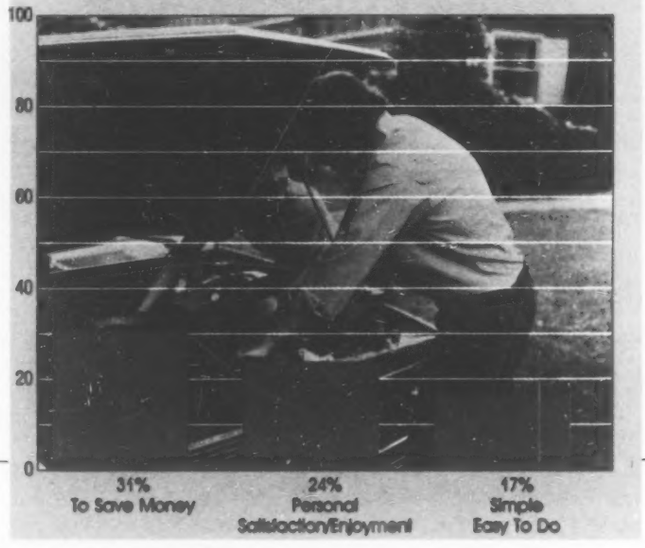
APPEARANCE CHEMICALS/PURCHASE INCIDENCE/INFLUENCES
What type of brand of appearance chemicals did the installer buy: Comparing the major changes from 1988 to 1985.



Why did the installer purchase the type of brand he did: Comparing the major changes from 1988 to 1985.



WHY THEY DIY
We asked our 1988 DIYers why they appearance chemicals themselves. Here are their top three reasons.



CONSUMER AUTOMOTIVE REPAIR STUDY

COOLING SYSTEM PARTS

Cooling system parts include fanbelts, hoses, thermostats, water pumps, or even complete replacement radiators. Of 1988 *CARS* DIYers, some 31% bought and installed a cooling system part, down from 42% in 1985.

Almost 10% of these DIYers were females, which is a good showing for hard parts. Other demographics: Some 30% were under 25 and 28% made under $25,000. A majority of 60% worked less than five hours a month on DIY tasks.

For 55%, saving money was the leading reason for installing the product. The second reason for self-installation was personal satisfaction for 20% of DIYers.

Some 12% of DIYers said the job was easy. Perhaps for this reason some 81% say they will install a cooling system part again. Just a very few—2%— were put off enough to say they were not likely to do the job again.

We did not get a fix on whether or not some of these purchases were emergency repairs. Belt and hose replacement, for example, is the third leading cause of highway calls, according to the AAA. However, fully 88% said the purchase was planned so it seems *CARS* DIYers practice some preventive maintenance, buying replacements before they're needed.

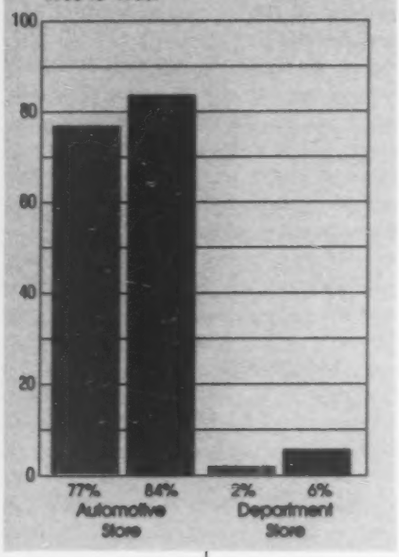
The auto parts store was the outlet of choice for 77% of cooling system installers. But, strangely, the second most named outlet was the service station with 9%. More *CARS* DIYers chose gas stations than chose discount or department stores.

Obviously, price is not a key factor—we found that only 26% chose the outlet because of price. A convenient location was the leading reason for buying from a particular outlet, according to 38% of *CARS* DIYers. Only 18% bothered to comparison shop for a cooling system part.

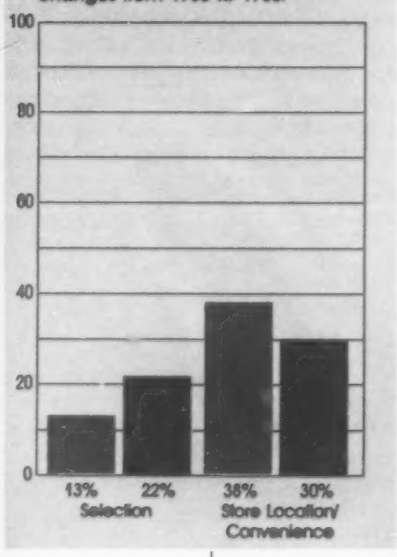
Advertising had very little influence on DIYers. Just 13% said they were influenced by advertising. The overwhelming majority (79%) of those who were influenced by advertising paid attention to a store's media advertising. A smaller number—12%—were influenced by an in-store display.

Although national brands sold the best, with46% of purchasers, store brands drew 33%. At 27%, the leading reason for choosing a brand was that it was the only one available. Price and quality, each with 14%, were less important. ■

COOLING SYSTEM PARTS PURCHASE BY OUTLET TYPE
Where did cooling system parts installers last buy the product: Comparing the major changes from 1988 to 1985.

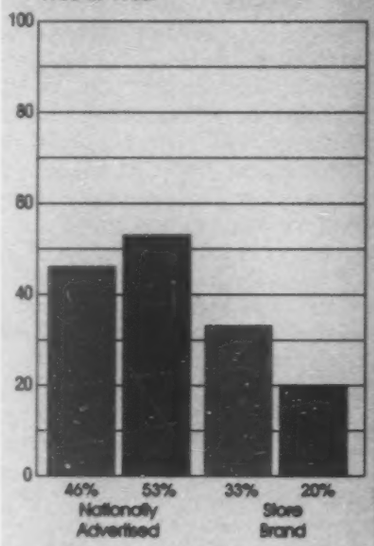


REASON FOR PURCHASING COOLING SYSTEM PARTS AT SPECIFIED OUTLET
Why did cooling systems parts installers buy the product where they did: Comparing the major changes from 1988 to 1985.

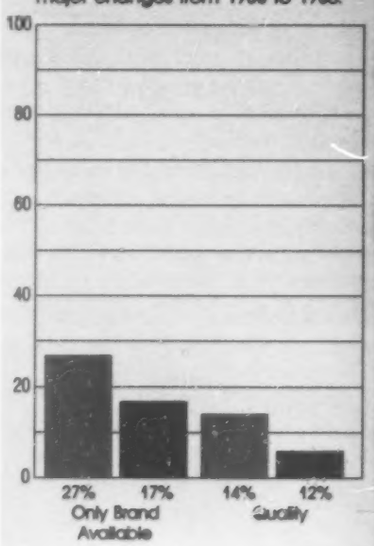


■ 1988
■ 1985

COOLING SYSTEM PARTS PURCHASE INCIDENCE/INFLUENCES
What type of brand of cooling system parts did the installer buy: Comparing the major changes from 1988 to 1985.



Why did the installer purchase the type of brand he did: Comparing the major changes from 1988 to 1985.



WHY THEY DIY
We asked our 1988 DIYers why they installed cooling system parts themselves. Here are their top three reasons.

CONSUMER AUTOMOTIVE REPAIR STUDY

ELECTRONIC ACCESSORIES

Electronic accessory DIYers are more interested in price, quality, and brand name than ever before when it comes to purchasing such items as security devices, add-on cruise controls, radar detectors, and other plug-them-into-the-cigarette-lighter items.

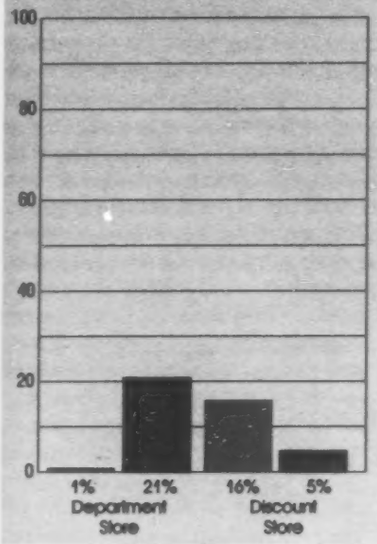
This year, 27% of electronic accessory DIYers said lowest price was the reason they purchased a particular *brand* of product, an increase from the 21% who said the same thing in our *CARS* study published in March, 1985. This year, 38% of the DIYers said that quality was the reason they purchased a certain *brand*, a sharp increase from the 28% who mentioned quality as the reason to buy a brand in 1985. And this year, 18% said they bought a product because it had a well-known brand name compared to only 9% who said so in 1985.

Electronic accessory DIYers also changed their minds about the importance of selection when it came to the outlet where they purchased their equipment. This year, only 5% of those interviewed said selection of product was the reason they bought from a certain outlet. In 1985, 19% said a store's selection was important in determining where they made their purchase. Interestingly, this year almost the same number of DIYers said they purchased their equipment from "other" outlets—including electronics stores, stereo/audio stores, and mail order catalogs—as did in 1985, 50% today vs. 51% then. This year, 20% said they bought their gadgets in automotive chain stores; 23% said so in 1985.

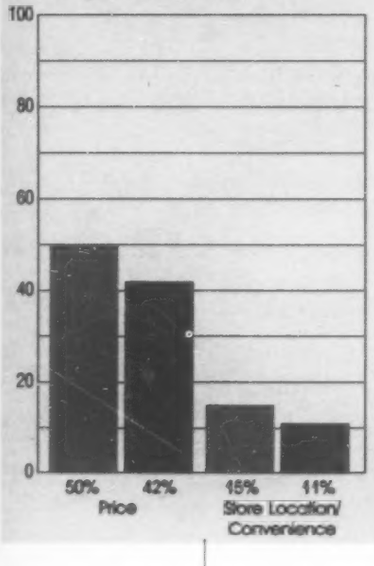
The electronic accessory DIYers we spoke to for this year's study were overwhelming male (84%), young (43% were younger than 35 years of age), and, almost all (81%) were medium to heavy DIYers spending between one to ten hours doing DIY work each month. A strong 65% of these DIYers said they planned to increase their DIY involvement.

This year, these DIYers were split about advertising. Half said their purchase was influenced by advertising, half said it was not. But 70% of those who noticed ads said they noticed media advertising by stores and 28% said they noticed in-store advertising and circulars. Since 83% of all electronic accessory DIYers planned their electronic accessory purchases and 55% comparisoned shopped, it would pay, then, for automotive chain stores to remind these DIYers of the price and quality of the products they carry. ■

ELECTRONIC ACCESSORIES PURCHASE BY OUTLET TYPE
Where did electronic accessories installers last buy the product: Comparing the major changes from 1988 to 1985.

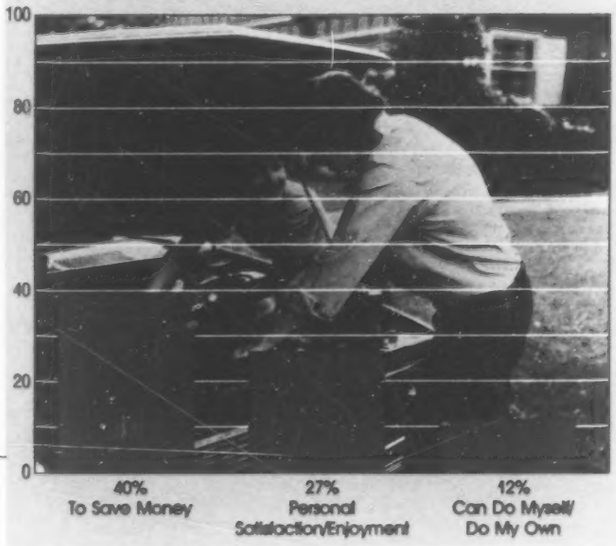


REASON FOR PURCHASING ELECTRONIC ACCESSORIES AT SPECIFIED OUTLET
Why did electronic accessories installers buy the product where they did: Comparing the major changes from 1988 to 1985.

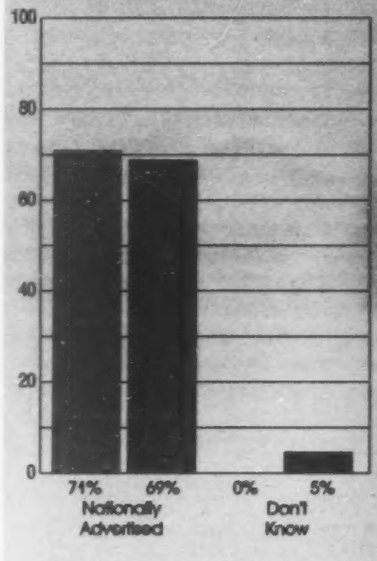


■ 1988
■ 1985

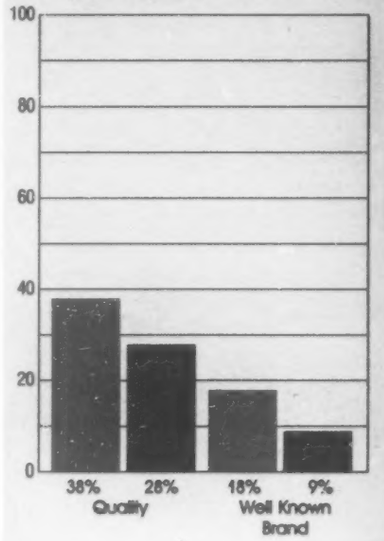
WHY THEY DIY
We asked our 1988 DIYers why they installed electronic accessories themselves. Here are their top three reasons.



ELECTRONIC ACCESSORIES PURCHASE INCIDENCE/INFLUENCES
What type of brand of electronic accessories did the installer buy: Comparing the major changes from 1988 to 1985.



Why did the installer purchase the type of brand he did: Comparing the major changes from 1988 to 1985.



CONSUMER AUTOMOTIVE REPAIR STUDY

CAR SOUND

Car sound DIYers are purchasing what they consider quality products at good prices, but they aren't enjoying the installation process as much as they used to.

This year, 48% of the car sound DIYers said they purchased a particular *brand* of car sound equipment because of its quality, a significant increase over the 37% who mentioned quality as a reason for buying a specific brand in our *CARS* study published in March, 1985. Some 80% of today's car sound DIYers purchased a national brand, down from the 85% who did so in 1985. Slightly more of them purchased the store's own brand, 9% today vs. 7% in 1985.

More of today's car sound DIYers mentioned price as a reason for buying a certain brand (34%) than did so in 1985 (28%). Interestingly, when we asked this year's car sound DIYers why they purchased their car sound equipment at the *outlet* where they did, 62% said it was because of the price, about the same as 1985. About the same number of them said they bought their car sound equipment at an automotive chain store, 15% today vs. 16% in 1985.

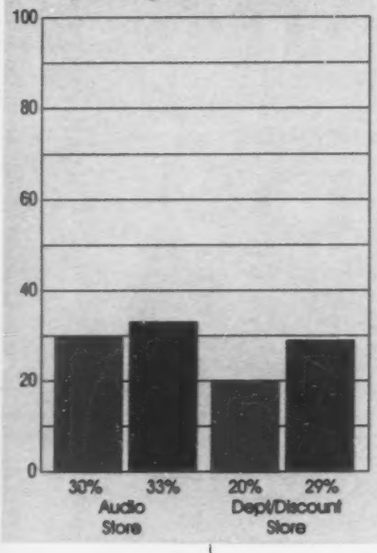
It seems, then, that automotive chain stores are doing a good job of giving car sound DIYers the quality equipment they seek at prices they are willing to pay.

Fewer of today's car sound DIYers said they did the job themselves because they enjoyed it. In our 1985 study, some 21% of the DIYers said they installed their sound systems for personal satisfaction or enjoyment. Only 17% of the DIYers said that this time. Perhaps that because today's car sound DIYers perceived the equipment they purchased as being harder to install; only 9% said they did the job themselves because it was simple or easy to do vs. 14% who said so in 1985.

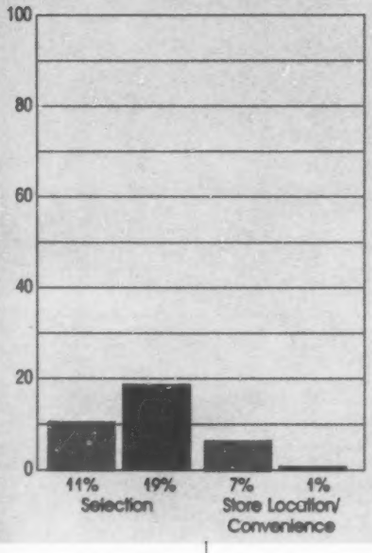
The car sound DIYers we spoke to for this year's study were overwhelmingly male (90%), young (78% of them were younger than 34 years of age), and, for the most part, were medium level DIYers spending between one and ten hours doing DIY work each month (33%). Some 51% of these DIYers said they planned to increase their DIY involvement.

Some 32% said they were influenced by advertising to make their purchase. These DIYers said they noticed media advertising by the store (72%) primairly. Some 63% of all car sound DIYers said they comparison shopped for the products and most (86%) planned their purchase of car sound equipment. ■

CAR SOUND PURCHASE BY OUTLET TYPE
Where did car sound installers last buy the product: Comparing the major changes from 1988 to 1985.

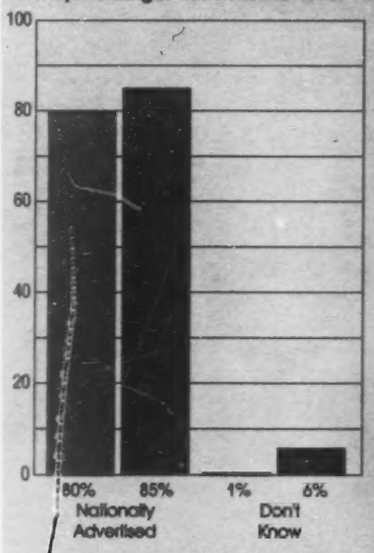


REASON FOR PURCHASING CAR SOUND AT SPECIFIED OUTLET
Why did car sound installers buy the product where they did: Comparing the major changes from 1988 to 1985.

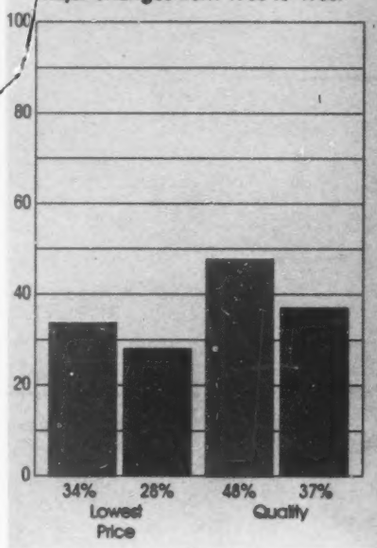


■ 1988
■ 1985

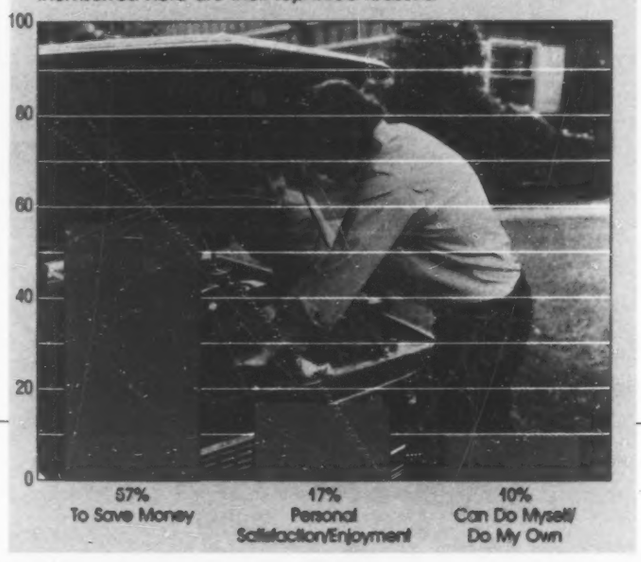
CAR SOUND PURCHASE INCIDENCE/ INFLUENCES
What type of brand of car sound did the installer buy: Comparing the major changes from 1988 to 1985.



Why did the installer purchase the type of brand he did: Comparing the major changes from 1988 to 1985.



WHY THEY DIY
We asked our 1988 DIYers why they installed car sound themselves. Here are their top three reasons.



CONSUMER AUTOMOTIVE REPAIR STUDY

SHOCKS/STRUTS/RIDE CONTROL

Shock/strut DIYers made up 10% of our 1988 *CARS* sample. That's a bit below our 1985 *CARS* when the figure was about 13%. However, 10% is almost exactly the percentage of people from last year's study who both bought and installed either a shock or a strut. So we can say the shock/strut DIY market has remained constant.

Middle-aged men are the key to shock/struts DIY: 98% of shock/strut DIYers were male and 64% were between 25 and 44. Oddly enough, higher income groups also did more shock/strut DIY than might be expected. Some 58% of the shock/strut DIYers made over $30,000.

Some 49% *CARS* DIYers said they did the work to save money. But 21% said they did the work for personal satisfaction or enjoyment. A small number, 10%, said they did the job because it was simple and easy to do. Most importantly, 85% said they were likely to do the job again. Only 6% said it was not at all likely they would do the job again. And, since 31% bought shocks or struts for a foreign car we can see that DIYers are not put off by foreign car repairs.

Some 33% of the DIYers said they comparision shopped before buying. When they shopped, some 70% of shock/strut DIYers bought in auto parts stores, while 14% chose department stores, and 9% chose discount stores.

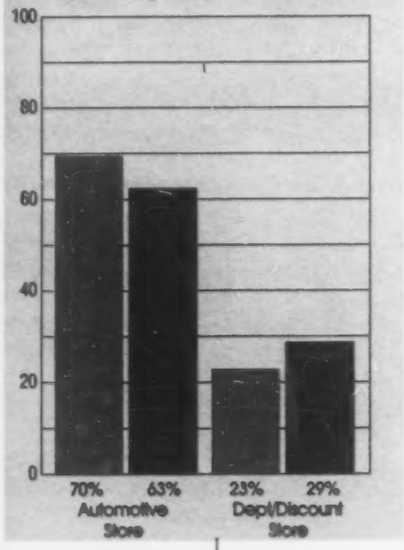
Because most did the job to save money, price at 35%, was the key reason for choosing an outlet. How important a role price plays in choosing an outlet is underlined by the fact that auto parts stores did about 15% worse among DIYers making under $20,000. Twice as many of these DIYers went to department stores. A second reason for choosing a particular outlet was selection (20%) with the outlet's convenient location finishing a close third at 19%.

Nationally advertised brands were the favorite buy of most *CARS* DIYers. Some 75% bought a national brand. But 17% thought well enough of a store's private brand to purchase it. In terms of advertising, some 43% said their purchase was influenced by some kind of advertising. A store's media ads were the number one influence at 74%. In-store advertising influenced 17% of the DIYers.

Quality was the most important factor in choosing a brand for 36% of DIYers. Price was second with 24%. A third reason for brand selection was force of habit for 12% of DIYers. ■

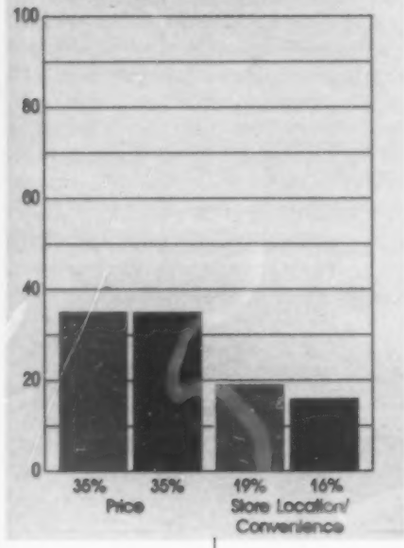
SHOCKS/STRUTS PURCHASE BY OUTLET TYPE

Where did shocks/struts installers last buy the product: Comparing the major changes from 1988 to 1985.



REASON FOR PURCHASING SHOCKS/STRUTS AT SPECIFIED OUTLET

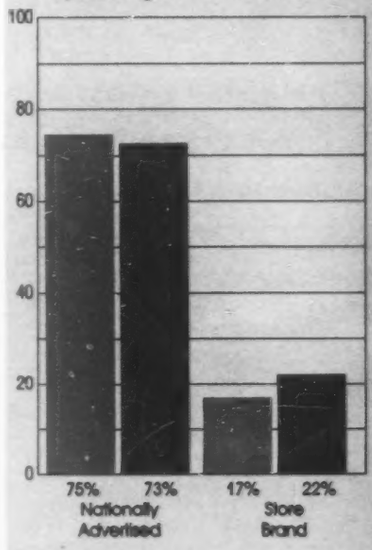
Why did shocks/struts installers buy the product where they did: Comparing the major changes from 1988 to 1985.



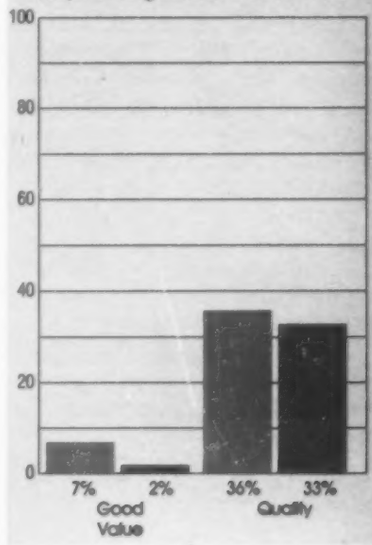
■ 1988
■ 1985

SHOCKS/STRUTS PURCHASE INCIDENCE/INFLUENCES

What type of brand of shock/struts did the installer buy: Comparing the major changes from 1988 to 1985.



Why did the installer purchase the type of brand he did: Comparing the major changes from 1988 to 1985.



WHY THEY DIY

We asked our 1988 DIYers why they installed shocks/struts themselves. Here are their top three reasons.

CONSUMER AUTOMOTIVE REPAIR STUDY

EXHAUST PRODUCTS

Exhaust products (mufflers or pipes) DIYers continue to thrive despite the continuing growth of specialist shops. The number of DIYers who both bought and installed a muffler or exhaust pipe remained about even with the number who did the same in 1985. This year, it was 8%. However, the percentage is substantially lower than the percentage from our 1985 study when it was close to 19%.

Some demographics on exhaust DIYers: Half (50%) of them own three or more vehicles. About a quarter (26%) made less than $20,000. Almost all (94%) were male. Only 12% were under 25-years-old.

Although 52% did the job to save money, the remaining 47% had no overwhelming, single reason for doing the job. Personal satisfaction (11%) was the second leading reason, with ease of the job (9%) and making sure it was done right (8%) very close behind. However, this seems to be a dedicated DIY group since 79% say they're likely to do the job the next time, while only 8% don't think it's likely they will.

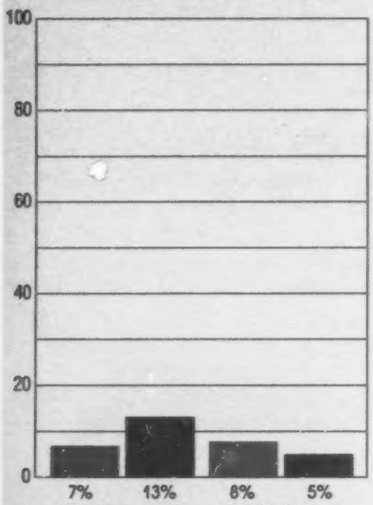
Some 75% of the DIYers bought exhaust products in auto parts stores. Only 29% comparison shopped before deciding on an outlet. It looks as though the muffler specialist is impacting the DIY market in several ways. Not only is the specialist dominating the installed market, but 8% of those who bought and installed their own exhaust bought the products at a muffler shop. That's more than bought in discount and department stores combined (7%).

Price is the leading reason for choosing an outlet with 33% of DIYers saying so. However, having a selection of exhaust products to choose from was the next most popular reason with 24%. Location played a key role in whether or not an outlet got the DIYer's business. Some 15% said they bought because the store was convenient, and another 11% said they only had one place to get the product.

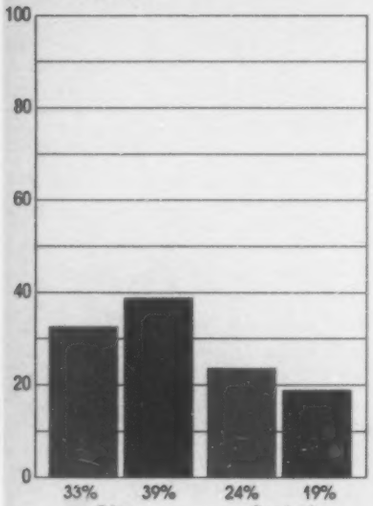
Of the installers who owned a foreign car, some 85% bought the exhaust product for a foreign car. Perhaps this is one reason for the importance of location and selection in choosing where to purchase exhaust products.

Advertising had little importance in choosing an outlet. About 57% bought a national brand and 24% chose a store's private label. Price (24%) and quality (23%) were the most important brand decision factors. ■

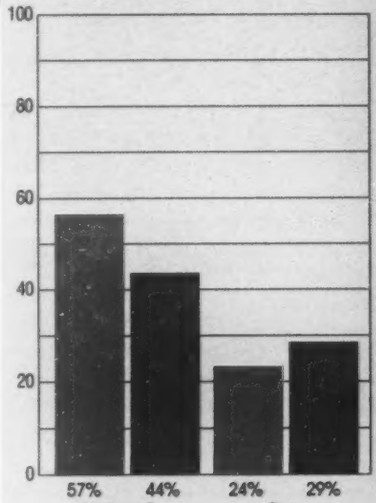
EXHAUST PRODUCTS PURCHASE BY OUTLET TYPE
Where did exhaust products installers last buy the product: Comparing the major changes from 1988 to 1985.



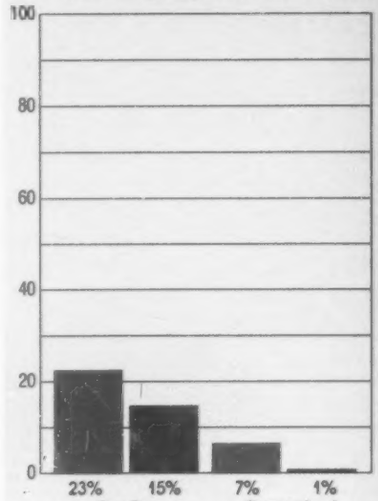
REASON FOR PURCHASING EXHAUST PRODUCTS AT SPECIFIED OUTLET
Why did exhaust products installers buy the product where they did: Comparing the major changes from 1988 to 1985.



EXHAUST PRODUCTS PURCHASE INCIDENCE/INFLUENCES
What type of brand of exhaust products did the installer buy: Comparing the major changes from 1988 to 1985.



Why did the installer purchase the type of brand he did: Comparing the major changes from 1988 to 1985.



WHY THEY DIY
We asked our 1988 DIYers why they installed exhaust products themselves. Here are their top three reasons.

■ 1988
■ 1985

CONSUMER AUTOMOTIVE REPAIR STUDY

BRAKES

Brake products work was done by about one out of every five DIYers surveyed for the 1988 *CARS*. That's not surprising. Installing pads and shoes, or even replacing cylinders, rotors, and calipers remains a fairly easy DIY task. Last year, 42% bought some brake parts and 18% bought and installed brake parts, so the DIY percentage is actually up a bit this year.

The DIYers we spoke with were male (96%), young (57% were under 34), and tended to be more serious DIYers (38% spent more than five hours a month on DIY tasks).

The majority, 56%, of DIYers said they did the job mainly to save money. But there is a strong 22%, a figure that's fairly constant in many DIY categories, that do the job simply because they enjoy the work. And, 12% said they do the work because they want to make sure the job is done correctly. Another 14% gave reasons that used words like "easy," "convenient," and "doesn't take too long." All in all, 85% of those who did the job said they were very likely to do it again.

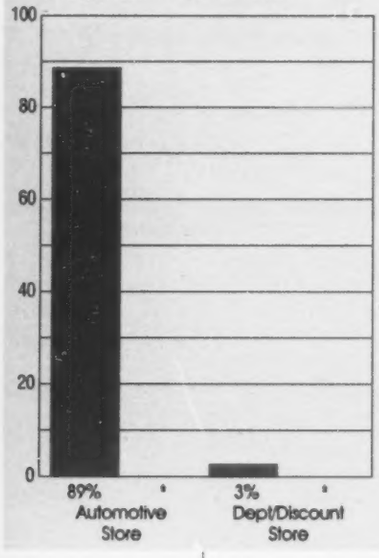
The auto parts store received the overwhelming percentage of DIY business with 89% of *CARS* DIYers buying brake parts in auto parts stores. A very distant second choice were new car dealerships at 3%. Price and convenience were the key factors in choosing an outlet: 28% choose an outlet for price, and 27% chose an outlet for its convenient location.

Interestingly enough, when we questioned only those DIYers maintaining foreign cars, we found that 54% bought brake parts for imports whie the rest bought for domestics.. So the store's selection of parts played a role in the buying decision for 15% of DIYers, while 9% said a particular outlet was the only place to find the part. Also, DIYers seem to be loyal to an outlet; some 12% chose their outlet through force of habit.

Advertising played only a small part in selling brake parts: just 16% said they were influenced by advertising. And, 76% of those said it was media advertising that influenced them. About 21% comparison shopped for brake parts. The majority, 62%, settled on a national brand. However, one in ten (10%) didn't know what brand they'd bought.

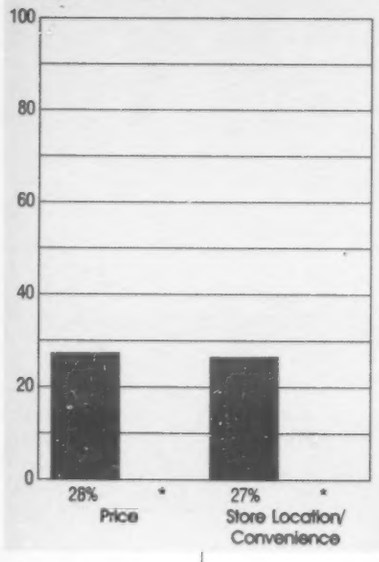
Perhaps because brakes are critical parts in the car, quality was the leading reason for a brand choice, according to 32% of DIYers. Just 18% said price was the deciding factor. However, 14% said the store offered no choice of brands. ■

BRAKE PURCHASE BY OUTLET TYPE
Where did brake installers last buy the product: Comparing the major changes from 1988 to 1985.



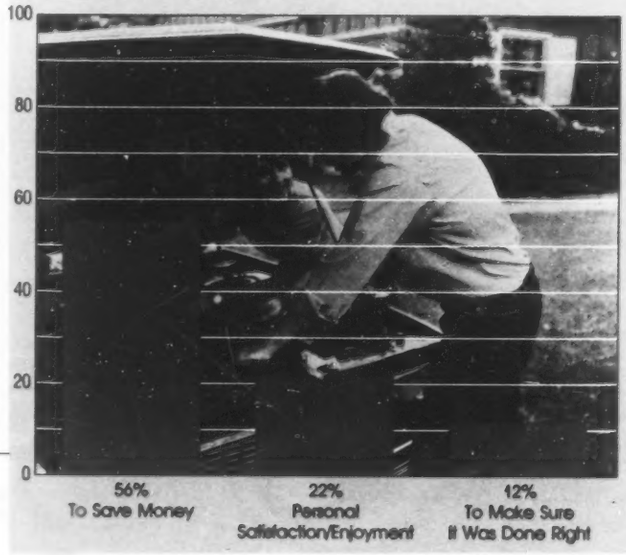
* No data from 1985

REASON FOR PURCHASING BRAKES AT SPECIFIED OUTLET
Why did brake installers buy the product where they did: Comparing the major changes from 1988 to 1985.

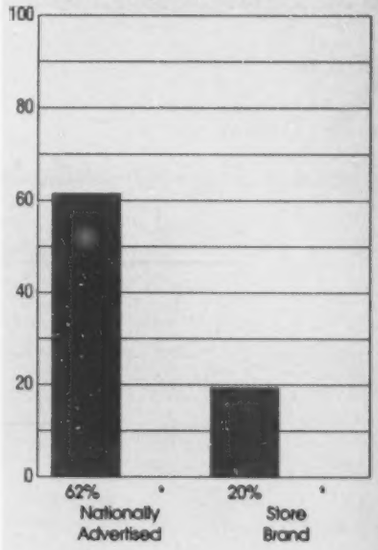


* No data from 1985

WHY THEY DIY
We asked our 1988 DIYers why they installed brakes themselves. Here are their top three reasons.

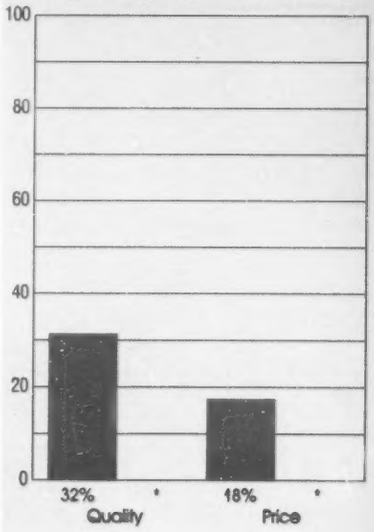


BRAKES PURCHASE INCIDENCE/ INFLUENCES
What type of brand of brakes did the installer buy: Comparing the major changes from 1988 to 1985.



* No data from 1985

Why did the installer purchase the type of brand he did: Comparing the major changes from 1988 to 1985.



* No data from 1985

■ 1988
■ 1985

CONSUMER AUTOMOTIVE REPAIR STUDY

LIGHTING

There has been very little change in the attitude of DIYers towards where, what, how, and why they buy lighting products between 1985 and 1988.

Purchasers of these products still tend to be male (87%), young (31% under 25 and 26% between 25 and 34 years old), and varied in income (31% make over $40,000 annually while 26% make between $20,000 and $30,000 annually). Over half (55%) spend between one and five hours a month on vehicle maintenance work, while 45% say they have increased amount of automotive DIY they do over the past year.

This is a group that says it is not influenced by advertising when it comes to buying lighting products in a fairly overwhelming number—84%. Interesting, where there is often a significant difference between men and women DIYers in how many of them say advertising played a role in their purchasing decision, there was virtually no difference in lighting product DIYers. In all, 84% of men said they weren't influenced by advertising, and 84% of women said the same.

Of those who noticed lighting product advertising, over half (60%) said they noticed store media advertising. Thereafter, DIYers who were influenced by advertising when buying lighting products were fairly evenly divided among those who noticed in-store advertising, store circulars, or shelf or floor product displays.

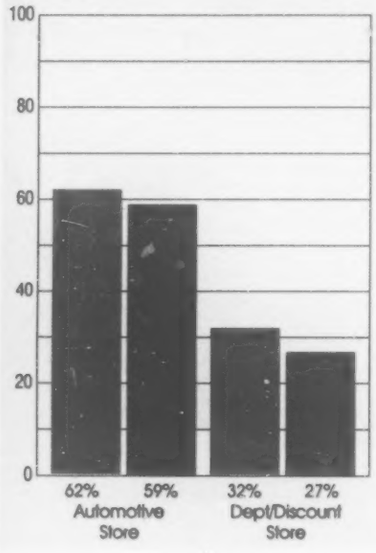
Despite the overall low number of DIYers who said they were influenced, the majority of these same people said they bought a "nationally advertised" brand of lighting product. Why? Pretty mundane reasons, really. Many (21%) bought the lowest price product they could, while another 20% said they bought the only brand the store stocked. Only 18% cited the brand name as the reason they bought what they did.

It comes as no real surprise, then, that 39% also chose the place they bought their lighting product in by its convenient location. Another 30% said they looked for price; but only 27% actually comparison shopped for lighting products.

Retailers should look, therefore, at lighting items as products that attract DIYers from across the board, rather than one narrowly defined group of people. This is a group, too, that is not looking for conspicuous consumption in their lighting products. They simply want to get the job done. Therefore, price is a major consideration in the purchase of this product. ■

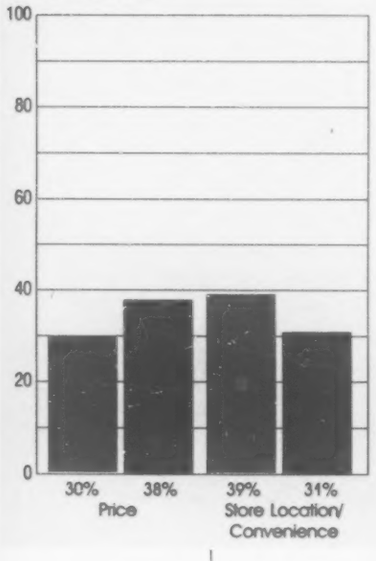
LIGHTING PRODUCTS PURCHASE BY OUTLET TYPE

Where did lighting products installers last buy the product: Comparing the major changes from 1988 to 1985.



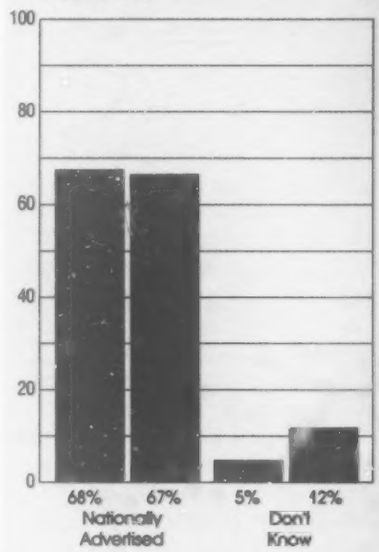
REASON FOR PURCHASING LIGHTING PRODUCTS AT SPECIFIED OUTLET

Why did lighting products installers buy the product where they did: Comparing the major changes from 1988 to 1985.

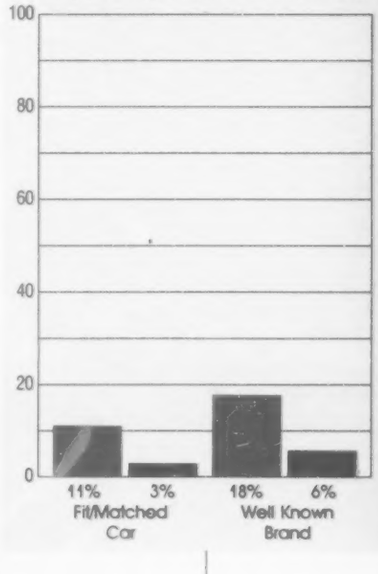


LIGHTING PRODUCTS PURCHASE INCIDENCE/INFLUENCES

What type of brand of lighting products did the installer buy: Comparing the major changes from 1988 to 1985.



Why did the installer purchase the type of brand he did: Comparing the major changes from 1988 to 1985.



WHY THEY DIY

We asked our 1988 DIYers why they installed lighting products themselves. Here are their top three reasons.

CONSUMER AUTOMOTIVE REPAIR STUDY

FUNCTIONAL FLUIDS/MAINTENANCE

There was a big jump in the percentage of DIYers who bought and installed their own functional fluids (brake, transmission, and similar essential chemicals) in automotive chain and auto parts stores from 1985 to 1988. Then, less than half of these active DIYers bought functional fluids at auto parts stores; now, 61% shop auto parts outlets for these basic chemicals.

These are people, too, who are already used to shopping in these kinds of outlets. They are overwhelmingly male (88%), under 34-years-old (53%), making less than $30,000 a year (55%), who work one to five hours a month on automotive maintenance work (55%).

They come into the automotive store already knowing they want some type of functional fluid. In all, 84% planned to buy a functional fluid before going to a store. But, this decision is created through need rather than by clever consumer advertising. Only 21% said they were influenced by advertising to buy a functional fluid.

Among that 21%, most noticed the store's media (newspapers or radio, largely) advertising, rather than manufacturer advertising. Of them, 52% said they noticed store media advertising, while the next largest group, 23%, said they noticed some in-store advertising. Obviously, it is the push by the store that does the major job in moving functional fluids off the shelf.

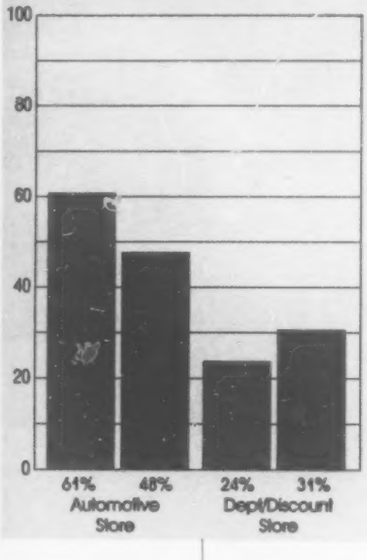
While they noticed store advertising, however, the largest single segment of functional fluid buyers (42%) said it was the store's convenient location that caused them to shop where they did for the product. On the other hand, functional fluid DIYers were about evenly divided in why they bought the type of brand they did – 26% said it was because of the brand's quality, while 23% said it was because of its low price.

It's interesting to note, too, that the number of DIYers saying they bought the brand of functional fluid they did because of its quality has risen 10% in the last three years. Obviously, there is a trend towards buying better quality products, even in areas where it is difficult for the user to measure true quality or value.

The whole picture, then, for selling functional fluids is being aware that DIYers buy them largely when needed, mostly from convenient automotive chain or parts stores that make DIYers aware that they carry the product. ■

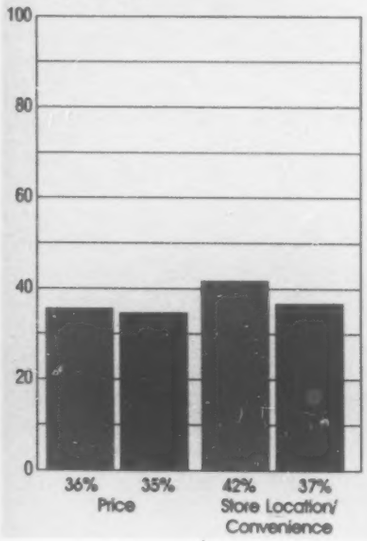
FUNCTIONAL FLUIDS PURCHASE BY OUTLET TYPE

Where did functional fluids installers last buy the product: Comparing the major changes from 1988 to 1985.



REASON FOR PURCHASING FUNCTIONAL FLUIDS AT SPECIFIED OUTLET

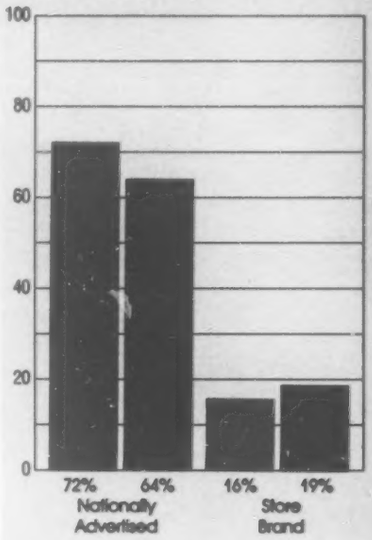
Why did functional fluids installers buy the product where they did: Comparing the major changes from 1988 to 1985.



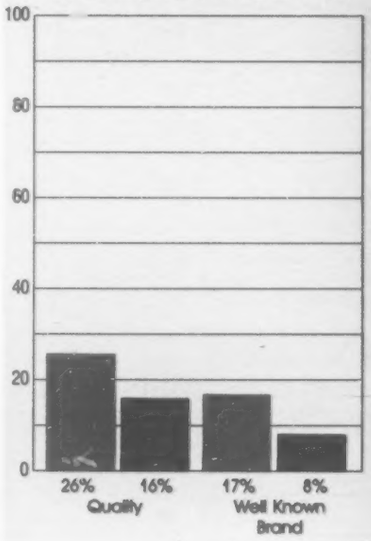
■ 1988
■ 1985

FUNCTIONAL FLUIDS PURCHASE INCIDENCE/INFLUENCES

What type of brand of functional fluids did the installer buy: Comparing the major changes from 1988 to 1985.



Why did the installer purchase the type of brand he did: Comparing the major changes from 1988 to 1985.



WHY THEY DIY

We asked our 1988 DIYers why they installed functional fluids themselves. Here are their top three reasons.

CONSUMER AUTOMOTIVE REPAIR STUDY

SEAT COVERS

More than one fourth of seat cover purchases made by the participants in our *CARS* study were done on impulse. That percentage has changed very little since our 1985 study of DIYers who bought and installed their own automotive maintenance and repair products. However, the percentage of DIYers who purchased the product had edged up somewhat in the past three years, from 9% to 11% (as has the average age of the cars and trucks in our nation's vehicle population).

The majority of DIYer purchasers was male (70%), with the heaviest age segment between 25 and 34 years old (31%), although DIYers of all generations bought and installed their own seat covers. Half of the purchasers spent between one and five hours monthly working on their vehicles (50%), and they were responsible for maintaining one (29%), two (43%) or three or more cars (29%).

They didn't pay much attention to advertising for this product (only 36% admitted any influence on their purchases by advertising), but if they did, they noticed ads or commercials by the stores (35%), store circulars (31%), or in-store advertising (20%). Shelf talkers were noticed by only 10% of those influenced by any type of advertising or promotion media.

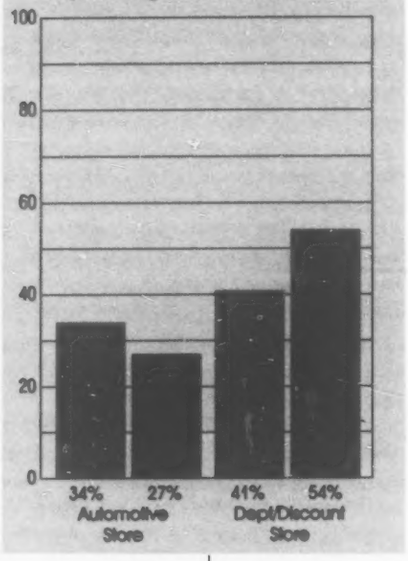
They bought the product where they did, in a majority of cases (53%), because of price. Selection at that store convinced 25% of the buyers to spend their money.

While price was the major reason why these DIYers bought seat covers where they did, it was also the heaviest influence when it came to choosing a brand of seat cover. Lowest price was the brand determinant in 38% of the purchases, while quality ranked as the second reason at 14%. Style (or size or color)—"It matched my car"—was cited in 12% of the purchases.

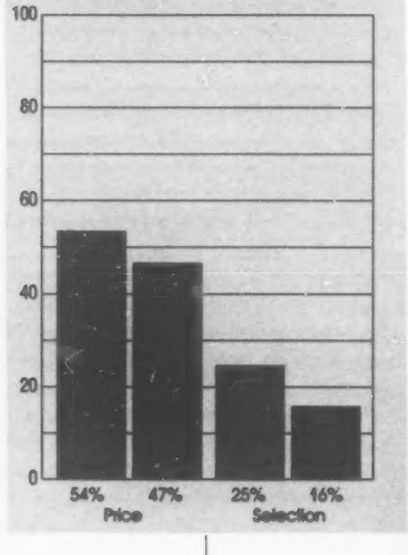
Because it's an easy DIY task requiring little, if any, technical expertise, 34% of our *CARS* respondents this year installed the product themselves. One third (33%) did the job to save money, and 17% did it because they like to. And eight out of ten of them would do the job again.

The aging of the vehicles which Americans drive, and the nation's style consciousness, may be the keys to growth within this product category. ■

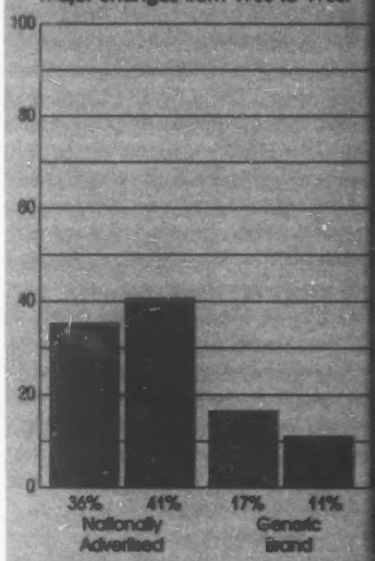
SEAT COVERS PURCHASE BY OUTLET TYPE
Where did seat covers installers last buy the product: Comparing the major changes from 1988 to 1985.



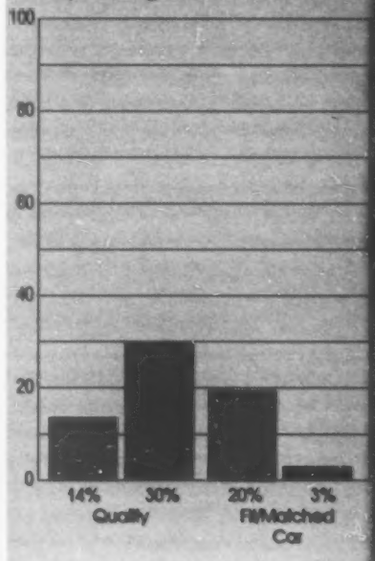
REASON FOR PURCHASING SEAT COVERS AT SPECIFIED OUTLET
Why did seat covers installers buy the product where they did: Comparing the major changes from 1988 to 1985.



SEAT COVERS PURCHASE INCIDENCE/INFLUENCES
What type of brand of seat covers did the installer buy: Comparing the major changes from 1988 to 1985.



Why did the installer purchase the type of brand he did: Comparing the major changes from 1988 to 1985.



WHY THEY DIY
We asked our 1988 DIYers why they installed seat covers themselves. Here are their top three reasons.

■ 1988
■ 1985

CONSUMER AUTOMOTIVE REPAIR STUDY

BATTERIES

Auto parts and chain stores gained a slight edge in the sales of batteries to those DIYers who both bought and installed their own batteries, even though most battery outlets offer free installation. As it turned out, in 1988, full-line auto parts or chain stores actually rated higher in sales to these DIYers than did department stores, which had previously been the sales leader.

We've always wondered what sort of person would bother to install his own battery, as opposed to take advantage of the usual free installation services. As it turns out, that person is usually male (89%), between 25 and 34 years old (35%), making between $30,000 and $40,000 a year (29%), and working one to five hours a month on automotive maintenance work (61%). Some 39% are responsible for two vehicles, and 43% said their level of automotive DIY work had increased over the previous 12 months.

Batteries are heavily advertised in all sorts of consumer media. It came as somewhat of a surprise then to see that only 74% of DIYers who installed their own batteries admitted to being influenced by any sort of advertising when deciding what sort of battery to buy. Perhaps these serious DIYers feel they trust their own product knowledge, and their own experiences, more than advertising for the masses.

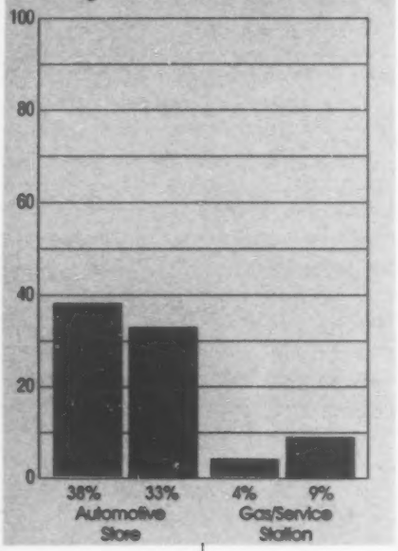
Of those who did say they were influenced by advertising, the largest percentage said the advertising they noticed was done by stores rather than manufacturers. Judging from most store advertising, this influential advertising concerned itself with price rather than quality.

It should come as no surprise, given this, then, that 33% of DIY battery installers quoted low price as the reason they bought the type of brand they did. Quality, which is often the most cited reason among aftermarket product categories, was cited by only 24% of DIY battery installers.

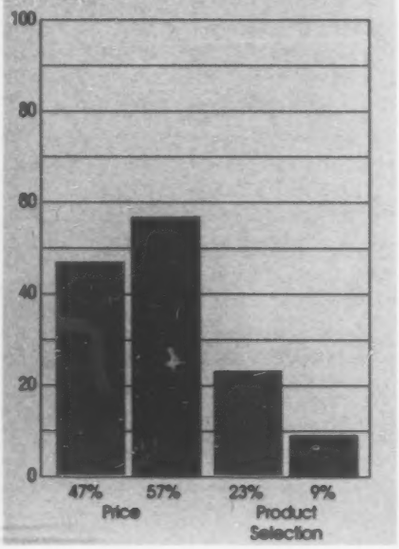
Indeed, the same sort of difference was apparent so when we asked DIYer battery installers why they bought the battery they did where they did. In all, 47% said it was price that brought them to the store. The next largest percentage, 23%, said it was product selection. The more typical reason, a convenient store location, was cited by only 14%.

Judging from this, then, the way to sell batteries to DIYers who prefer to, or must, install them themselves is price, price, and price. ■

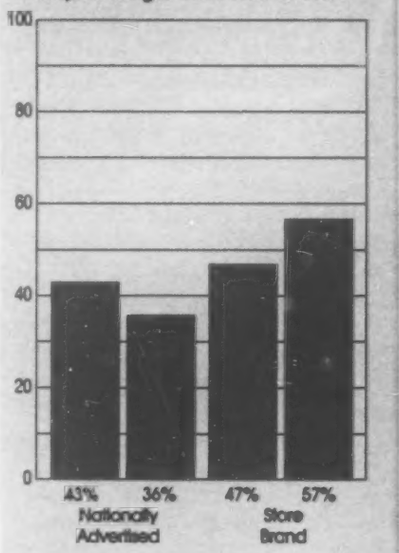
BATTERY PURCHASE BY OUTLET TYPE
Where did battery installers last buy the product: Comparing the major changes from 1988 to 1985.



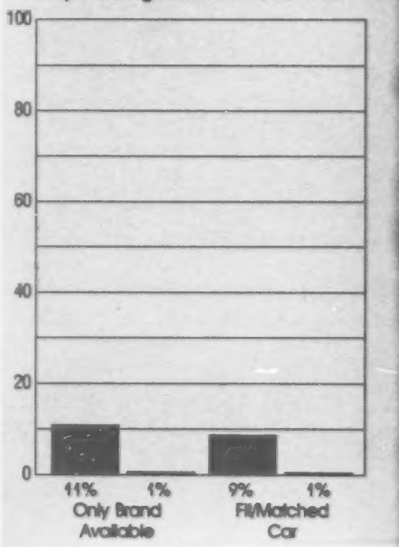
REASON FOR PURCHASING BATTERY AT SPECIFIED OUTLET
Why did battery installers buy the product where they did: Comparing the major changes from 1988 to 1985.



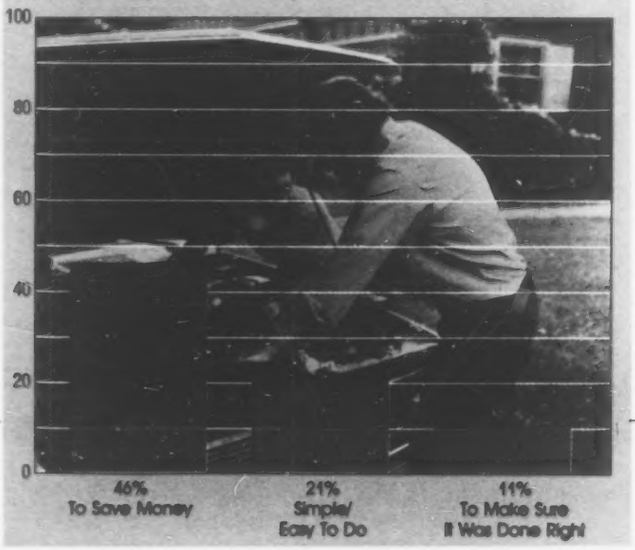
BATTERY PURCHASE INCIDENCE/ INFLUENCES
What type of brand of battery did the installer buy: Comparing the major changes from 1988 to 1985.



Why did the installer purchase the type of brand he did: Comparing the major changes from 1988 to 1985.



WHY THEY DIY
We asked our 1988 DIYers why they installed batteries themselves. Here are their top three reasons.



■ 1988
■ 1985

CONSUMER AUTOMOTIVE REPAIR STUDY

AUTOMOTIVE REPAIR BOOKS

Chances are that once an automotive DIYer buys his or her first automotive repair manual, that customer will be back in the store to buy another. *Automotive Marketing* took its first look at the purchasing habits of those people who use repair manuals in this year's *CARS*. And we found that 88% of the repair manual purchasers are likely to buy a second book.

The people who rely upon the books to increase their automotive prowess are male (81%), younger than 25 (34%), make either a little (26% under $25,000) or a lot (43% more than $40,000) of money, and spend between one and five hours every month working on the vehicles for which they're responsible. More than half (51%) are responsible for the maintenance of two cars.

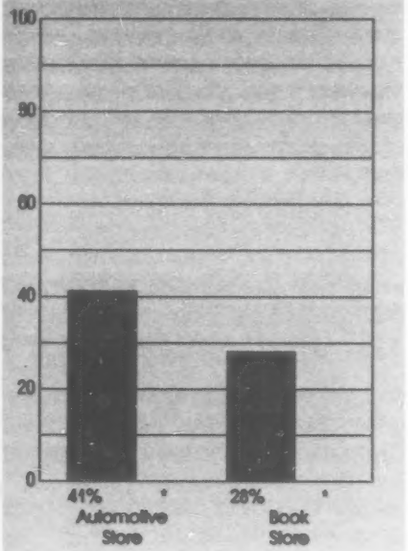
What's more, these book users are on the positive side of the DIY market: 68% of them intend to increase their automotive repair activity. Only 5% told us that they intend to cut back on their DIY tasks, and 27% intend to keep on doing as much as they do now.

They purchased their repair books at automotive parts stores (41%), at book stores (28%), and by mail (13%, and we suspect that many of these are orders for automakers' manuals direct from the factory ordered from a glovebox manual order form).

Most of them intended to buy the book they did, (66% told us that), but they weren't influenced by advertising to a great degree (71% said they weren't). They bought the book from their supplier because of the selection displayed (35%), or because it was a convenient place to buy (13%), or the only place to get it (14%). Price is not an important consideration when selecting where to buy a book, because only 12% cited that as their primary reason for buying where they bought. And, they bought that particular book because it was a well known brand (30%), they thought it was a good quality product (28%), or because it had the information which they needed (22%).

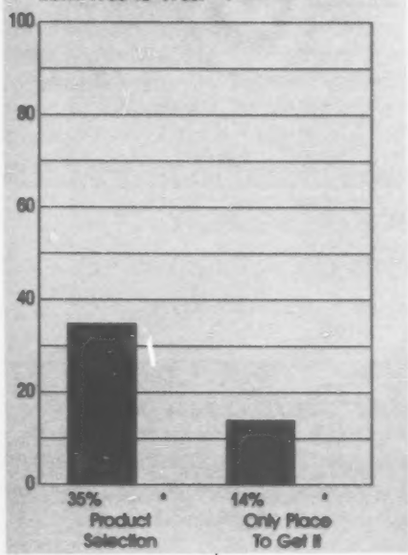
Where's the potential? There's a distinct group of young male DIYers we found who don't have the habit of buying books to help them work on their vehicles. Retailers might add more to the average store ticket by thinking through their merchandising and display of books for specific component systems next to that parts product category. It might increase the impulse buying of these repair manuals. ■

AUTOMOTIVE REPAIR BOOKS PURCHASE BY OUTLET TYPE
Where did automotive repair book readers last buy the product: Comparing the major changes from 1988 to 1985.



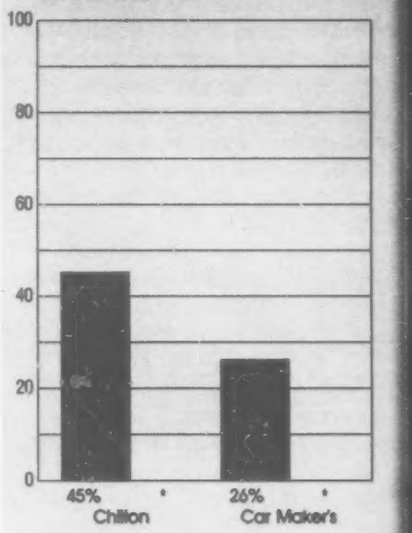
* No data from 1985

REASON FOR PURCHASING AUTOMOTIVE REPAIR BOOKS AT SPECIFIED OUTLET
Why did automotive repair book readers buy the product where they did: Comparing the major changes from 1988 to 1985.



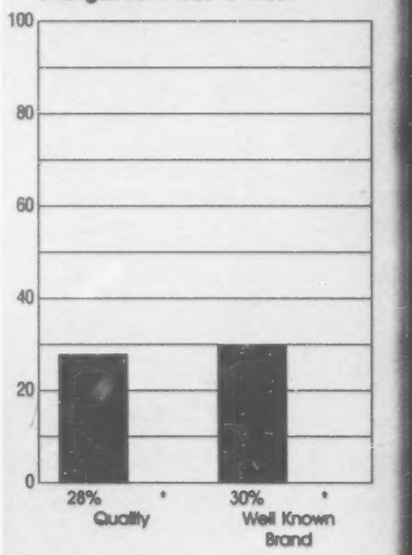
* No data from 1985

AUTOMOTIVE REPAIR BOOKS PURCHASE INCIDENCE/INFLUENCES
What brand of automotive repair books did the reader buy: Comparing the major changes from 1988 to 1985.



* No data from 1985

Why did the reader purchase the brand he did: Comparing the major changes from 1988 to 1985.



* No data from 1985

WOULD THEY BUT ANOTHER BOOK
We asked our 1988 DIYers how likely they were to buy an automotive repair book again.

■ 1988
■ 1985

CONSUMER AUTOMOTIVE REPAIR STUDY

GAS/OIL ADDITIVES

The addition of a whole slew of new gas and oil additive products—products such as those designed to pass emissions tests or clean fuel injectors—has brought a good number of DIYers back to automotive chain stores from the discount/department stores where they'd been buying their additives before.

This is good news to retailers, since the demographics of additive buyers also match the demographics of typical DIYers rather closely. This means that the new types of additives are making sure DIYers are shopping in automotive chain stores.

What demographics? The average additive buyer is male, less than 34 years old, making less than $30,000 annually, spending between one and five hours a month on automotive DIY work, and responsible for two or fewer vehicles. In addition, almost half of all additive DIYers reported that they increased the amount of automotive repair work they did last year from the year before.

If it's the new products that bring these DIYers into automotive chain stores, the question is how do they learn of these products? According to them, not through consumer advertising. More than 70% said that they were not influenced by consumer advertising to buy the additive they bought.

And, of those who were influenced by advertising, more than half (53%) were influenced by in-store advertising such as point-of-purchase material or signs. Another 21% mentioned being influenced by in-store advertising.

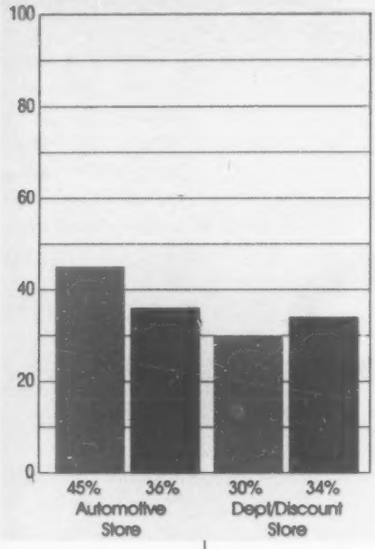
Yet, there must have been some advertising influence that these DIYer/installers felt but weren't aware of. For, the largest single reason for buying the brand of additive the DIYer reported buying was the quality of the product: 24% of additive installers quoted quality as the reason they bought the product they did. In a field such as additives, where it is difficult for the average DIYer to accurately measure product results, advertising is a major contributor to the quality image.

Quality was, however, not the reason they gave for where they bought the additive they did. In answer to that question, most additive installers bought the product they did because of a low price (36%) or a store's convenient location (36%)

The conclusions? Retailers should emphasize their wide range and low price of oil and gas additives, especially in in-store advertising and displays, to boost sales in this product category. ■

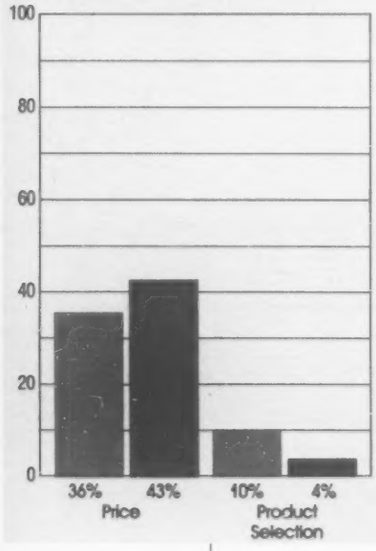
GAS/OIL ADDITIVES PURCHASE BY OUTLET TYPE

Where did gas/oil additive installers last buy the product: Comparing the major changes from 1988 to 1985.



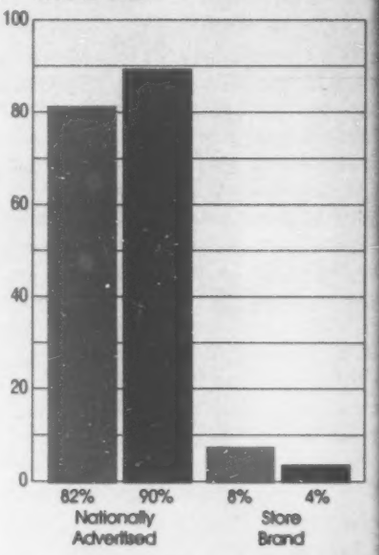
REASON FOR PURCHASING GAS/OIL ADDITIVES AT SPECIFIED OUTLET

Why did gas/oil additives installers buy the product where they did: Comparing the major changes from 1988 to 1985.



GAS/OIL ADDITIVES PURCHASE INCIDENCE/INFLUENCES

What type of brand of gas/oil additives did the installer buy: Comparing the major changes from 1988 to 1985.



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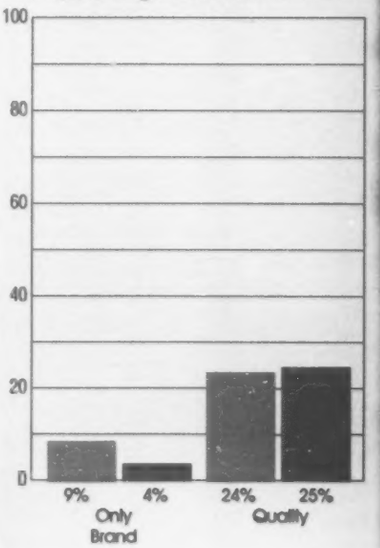
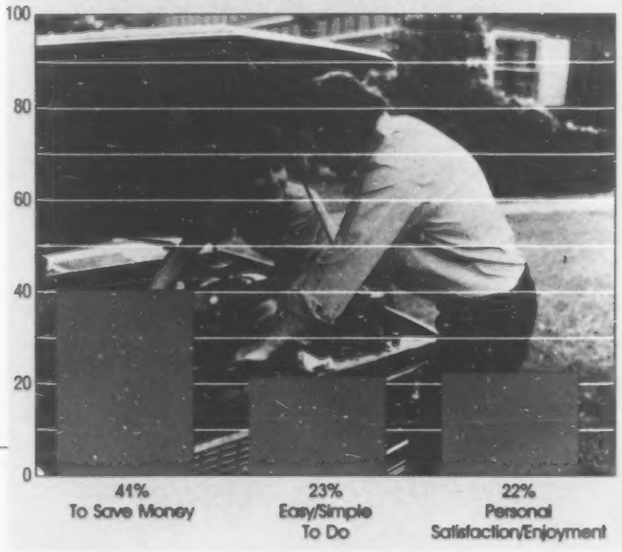


WHY THEY DIY

We asked our 1988 DIYers why they installed gas/oil additives themselves. Here are their top three reasons.



CONSUMER AUTOMOTIVE REPAIR STUDY

ANTIFREEZE/COOLANT

Antifreeze/coolant continues to be the second most installed product that DIYers buy. It is interesting to note, however, that while most DIYers who install their own antifreeze/coolant say they bought it where they did because they found the lowest possible price there, sales through auto parts and chain stores have actually increased from 1985 to 1988. The loss has come at the expense of discount stores, which previously held a lead among the type of outlets from which DIYers bought this product.

Antifreeze/coolant is not a terribly difficult product to install. The result is that DIYers who do that job come from all walks of life, ages, income levels, and DIY intensity. But most of them are male (78%) and work one to five hours on automotive maintenance monthly (55%). They are also 25 to 34 years old (30%), and make $20,000 to $30,000 annually (28%).

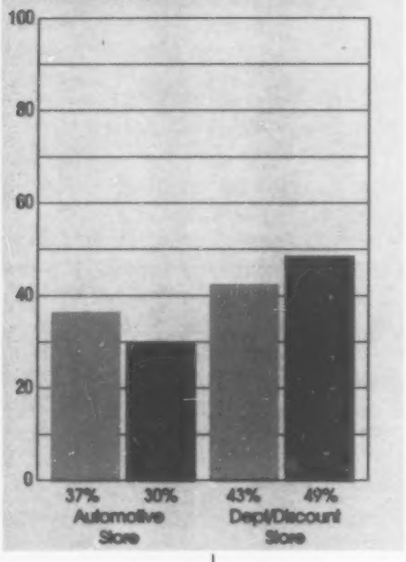
There's a lot of money spent by antifreeze/coolant producers on consumer advertising. It seems to work. A large percentage (44%) of DIYers who bought and installed their own antifreeze/coolant said that they were influenced by advertising. And, store media advertising was largely what attracted their attention.

When it came time to buy, however, most (83%) DIYers who bought and installed antifreeze/coolant planned to buy the product. They went straight to where they bought it (only 31% comparison-shopped for the product). And, most (59%) of them bought it where they did it because they felt they got the lowest price possible there for the product.

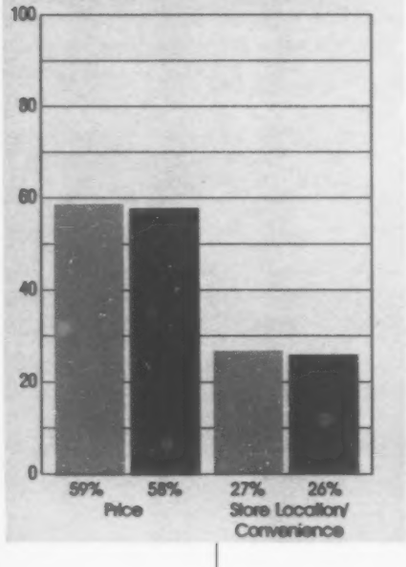
Advertising apparently pays too, since 85% said they bought a nationally advertised brand of antifreeze/coolant. Even then, though, only 23% said they bought that brand because of its quality, while a larger percentage (30%) said it was the low price of that brand that gave it the edge. A significant 22% said they bought the brand they did through "force of habit." Holding a commanding market share in this market guarantees a fair percentage of sales.

At the retail level, then, conventional wisdom in selling antifreeze/coolant seems to hold true still. Stock national brands and promote their low prices. ■

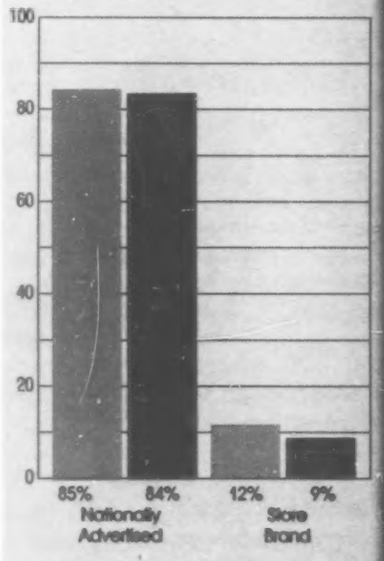
ANTIFREEZE/COOLANT PURCHASE BY OUTLET TYPE
Where did antifreeze/coolant installers last buy the product: Comparing the major changes from 1988 to 1985.



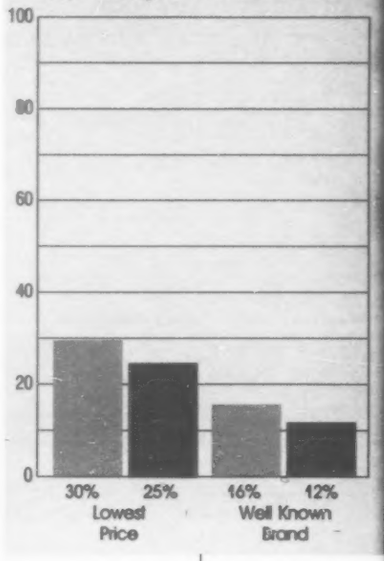
REASON FOR PURCHASING ANTIFREEZE/COOLANT AT SPECIFIED OUTLET
Why did antifreeze/coolant installers buy the product where they did: Comparing the major changes from 1988 to 1985.



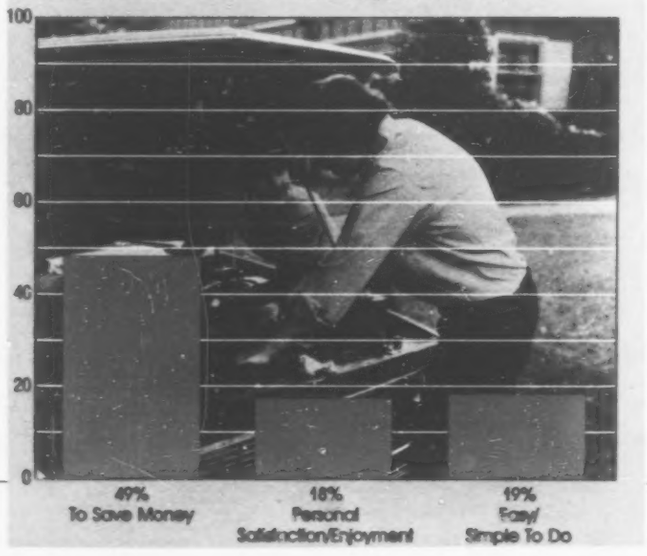
ANTIFREEZE/COOLANT BRAND PURCHASE INCIDENCE/INFLUENCES
What type of brand of antifreeze/coolant did the installer buy: Comparing the major changes from 1988 to 1985.



Why did the installer purchase the type of brand he did: Comparing the major changes from 1988 to 1985.



WHY THEY DIY
We asked our 1988 DIYers why the installed antifreeze/coolant themselves. Here are their top three reasons.



■ 1988
■ 1985